

Confirmed 10/29/60 RWA

ORDINANCE NO. A-360

AN ORDINANCE AUTHORIZING THE ACQUISITION OF LANDS, BUILDINGS, MANUFACTURING FACILITIES, EQUIPMENT AND MACHINERY THEREON AND THEREIN IN CONNECTION WITH THE SECURING AND DEVELOPING OF INDUSTRY NEAR THE CITY OF CONWAY, ARKANSAS; AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS UNDER ACT NO. 9 OF THE FIRST EXTRAORDINARY SESSION OF THE SIXTY-SECOND GENERAL ASSEMBLY OF THE STATE OF ARKANSAS, APPROVED JANUARY 21, 1960, FOR THE PURPOSE OF FINANCING THE COST THEREOF AND NECESSARY EXPENSES RELATING THERETO AND TO THE ISSUANCE OF BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING SAID BONDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS the City of Conway, Arkansas (hereinafter sometimes referred to as "City") is authorized by Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas, approved January 21, 1960 (hereinafter sometimes referred to as "Act No. 9"), to acquire lands, buildings, manufacturing facilities, machinery and equipment for the conducting of manufacturing operations and to lease the same to an industry with renewal and purchase options; and

WHEREAS the City is authorized by Act No. 9 to issue Industrial Development Revenue Bonds payable from lease rentals and secured by a first mortgage on the lands, buildings, manufacturing facilities, machinery and equipment so leased; and

WHEREAS the necessary lands have been acquired and the construction of the plant undertaken by Conway Development Corporation, a corporation organized under and existing by virtue of the laws of the State of Arkansas (hereinafter sometimes referred to as "Development Corporation"); and

WHEREAS it has now been determined that the cost of acquiring a site for and constructing the manufacturing plant and of purchasing and installing the necessary equipment and machinery is considerably in excess of the original estimates so that additional financing is immediately necessary; and

WHEREAS the expeditious completion of the construction and acquisition and installation of the necessary equipment and machinery will be in the best interests of the City and its inhabitants by virtue of the alleviation of unemployment, increased payrolls and increased employment opportunity for the citizens of the City; and

WHEREAS it has been determined that the most feasible plan to complete the required financing of said construction and the acquisition and installation of the said equipment and machinery is for the City, subject to the approval of the electors, to issue Revenue Bonds under Act No. 9 for the purpose of acquiring the necessary lands and the improvements constructed thereon from Development Corporation and thereafter completing the permanent improvements and purchasing and installing the necessary equipment and machinery and financing other necessary expenses incidental to the commencement of manufacturing operations by Universal, or Customade; and

- WHEREAS the City has agreed, subject to the approval of the electors, to issue Industrial Development Revenue Bonds to provide funds to acquire the lands and buildings constructed thereon, complete the construction of said buildings, acquire the necessary facilities, and, to the extent permitted by law, pay other necessary expenses in connection therewith; Development Corporation has agreed to sell the said lands and buildings and facilities already constructed and presently owned by it to the City; and the City has agreed to lease to and Universal has agreed to lease from the City the said lands, buildings and facilities for a rental which is sufficient to meet the costs of servicing the bonds proposed to be issued by the City under said Act No. 9; and

WHEREAS by Ordinance No. A-355 the City submitted to the electors the question of issuing Industrial Development Revenue Bonds in an amount not to exceed \$2,200,000, to be dated June 1, 1960 with interest payable semi-annually on June 1 and December 1 of each year

commencing December 1, 1960, the bonds to mature on June 1 in each of the years 1961 to 1980, inclusive, all as specified in detail in said Ordinance No. A-355, for the foregoing purposes (which bonds are hereinafter sometimes referred to as the "bonds"); and

WHEREAS at a special election the electors of the City approved the issuance of said bonds; and

WHEREAS in order not to delay manufacturing operations and the benefits to the City and its inhabitants flowing therefrom, interim arrangements have gone forth to purchase and install the necessary equipment and machinery and to place the plant into operation with the understanding that the entire project would be permanently financed out of the proceeds of the issuance of the bonds; and

WHEREAS the City, Development Corporation, Universal, Customade and the suppliers of the machinery and equipment have agreed that contemporaneously with the delivery of said bonds and the receipt of the proceeds thereof, the Development Corporation will convey to the City the fee simple title to the said lands and buildings, the City will pay out of the proceeds of said bonds the costs incurred by the Development Corporation or others in connection therewith, and will execute with Universal a Lease Agreement covering the leasing thereof to Universal for operation by its subsidiary, Customade and will assign said Lease Agreement to the Trustee; and

WHEREAS the City has contracted for the sale of the Revenue Bonds for a price of par and accrued interest at the interest rate hereinafter specified in the Indenture with said bonds to be sold to John Hancock Mutual Life Insurance Company, a Massachusetts corporation, with its home office at Boston, Massachusetts, with the bonds being sold and delivered to said purchaser being hereinafter described in detail; and

WHEREAS it is necessary for the City to execute and deliver

a Trust Indenture (hereinafter sometimes referred to as "Indenture") to St. Louis Union Trust Company, St. Louis, Missouri, as Trustee for the bondholders;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS:

Section 1. That there be, and there is hereby, authorized the acquisition by the City from the Development Corporation of the fee simple title to the lands presently owned by the Development Corporation (which are situated in Faulkner County, Arkansas and which are hereinafter described in the Indenture) together with the buildings and manufacturing facilities thereon and the machinery and equipment therein owned by the Development Corporation, in consideration of the City assuming and paying out of the proceeds of the bonds hereinafter authorized the indebtedness and costs incurred by the Development Corporation or others in connection with the acquisition, construction and installation thereof and the acquisition of all machinery and equipment therein owned by persons, firms or corporations other than the Development Corporation for the prices and costs incurred by said persons, firms and corporations in the acquisition and installation of said machinery and equipment and the construction of additional manufacturing facilities and/or the purchase and installation of additional machinery and equipment, if any be needed, to complete the project, all to be paid for out of the proceeds of the sale of the bonds hereinafter authorized, It is understood that the project will be leased to Universal and operated by Universal's subsidiary, Customade, pursuant to the terms and conditions of a Lease Agreement to be submitted to and approved by the City Council by ordinance,

Section 2, That to provide for the authorization of and to secure bonds of the City under Act No, 9, to finance the cost of securing and developing industry near the City and paying necessary

expenses incidental thereto and to the issuance of bonds, in the  
aggregat principal amount of **Two Million, Two Hundred Thousand**  
**Dollars (\$2,200,000)**, herein called the "bonds", and to prescribe  
the terms and conditions upon which the bonds are to be secured,  
executed, authenticated, accepted and held, the Mayor of the City is  
hereby authorized and directed to execute and acknowledge a Trust In-  
denture, and the City Clerk of the **City** is hereby authorized and  
directed to execute the Trust Indenture and to **affix** the seal of the  
**City** thereto and to attest the **same**, and to cause the said Trust In-  
denture to be accepted, executed and acknowledged by the Trustee,  
**St. Louis Union Trust Company, St. Louis, Missouri**, with the said  
Trust Indenture, which constitutes and is hereby made a part of this  
authorizing ordinance, to be in the following form, to-wit:

TRUST INDENTURE

THIS INDENTURE executed as of \_\_\_\_\_, 1960  
by and between the CITY OF CONWAY, ARKANSAS, a city of the  
first class duly existing under the laws of the State of  
Arkansas (hereinafter sometimes referred to as the "City")  
as party of the first part, and ST. LOUIS UNION TRUST COMPANY,  
a trust company organized under and existing by virtue of the  
laws of the State of Missouri, with its principal office,  
domicile and post office address at St. Louis, Missouri (here-  
inafter sometimes referred to as the "Trustee"), as party of  
the second part;

W I T N E S S E T H :

WHEREAS the City is authorized by Act No. 9 of the  
First Extraordinary Session of the Sixty-Second General  
Assembly of the State of Arkansas, approved January 21, 1960  
(hereinafter sometimes referred to as "Act No. 9"), to acquire  
lands, buildings, manufacturing facilities, machinery and  
equipment for the conducting of manufacturing operations and  
to lease the same to an industry with renewal and purchase  
options; and

WHEREAS the City is authorized by Act No. 9 to issue  
Industrial Development Revenue Bonds payable from lease rentals  
and secured by a first mortgage on the lands, buildings, manu-  
facturing facilities, machinery and equipment so leased; and

WHEREAS Universal Match Corporation, a Delaware cor-  
poration (hereinafter sometimes referred to as "Universal"),  
has determined to operate (through a subsidiary, Customade  
Products Corporation, an Arkansas corporation, hereinafter  
sometimes referred to as "Customade") a substantial manufactur-  
ing plant near the City; and

WHEREAS ~~the~~ necessary lands have been acquired and the construction of the plant undertaken by Conway Development Corporation, a corporation organized under and existing by virtue of the laws of the 'State of' Arkansas (hereinafter sometimes referred to as "Development Corporation"); and

WHEREAS it has ~~now~~ been determined that the cost of acquiring a site for and constructing the manufacturing plant and of purchasing and installing the necessary equipment and machinery is considerably in excess of the original estimates so that additional financing is immediately necessary; and

WHEREAS the expeditious completion of the construction and acquisition and installation of the necessary equipment and machinery will be in the best interests of the City and its inhabitants by virtue of the alleviation of unemployment, increased payrolls and increased employment opportunity for the citizens of the City; and

WHEREAS it has ~~been~~ determined that the most feasible plan to complete the ~~required~~ financing of said construction and the acquisition and installation of the said equipment and machinery is for the City, subject to the approval of the electors, to issue Revenue Bonds under Act No. 9 for the purpose of acquiring the necessary lands and the improvements constructed thereon from Development Corporation and thereafter completing the permanent improvements and purchasing and installing the necessary equipment and machinery and financing other necessary expenses incidental to the commencement of manufacturing operations by Universal, or Customade; and

WHEREAS the City has agreed, subject to the approval of the electors, to issue Industrial Development Revenue Bonds to provide funds to acquire the lands and buildings constructed thereon, complete the construction of said buildings, acquire

the necessary facilities, and, to the extent permitted by law, pay other necessary expenses in connection therewith; Development Corporation has agreed to sell the said lands and buildings and facilities already constructed and presently owned by it to the City; and the City has agreed to lease to and Universal has agreed to lease from the City the said lands, buildings and facilities for a rental which is sufficient to meet the costs of servicing the bonds proposed to be issued by the City under said Act No. 9; and

WHEREAS by Ordinance No. A-355 the City submitted to the electors the question of issuing Industrial Development Revenue Bonds in an amount not to exceed \$2,200,000, to be dated June 1, 1960 with interest payable semiannually on June 1 and December 1 of each year commencing December 1, 1960, the bonds to mature on June 1 in each of the years 1961 to 1980, inclusive, all as specified in detail in said Ordinance No. A-355, for the foregoing purposes, (which bonds are hereinafter sometimes referred to as the "Bonds"); and

WHEREAS at a special election the electors of the City approved the issuance of said Bonds; and

WHEREAS in order not to delay manufacturing operations and the benefits to the City and its inhabitants flowing therefrom, interim arrangements have gone forth to purchase and install the necessary equipment and machinery and to place the plant into operation with the understanding that the entire project would be permanently financed out of the proceeds of the issuance of the Bonds; and

WHEREAS the City, Development Corporation, Universal, Customade and the suppliers of the machinery and equipment have agreed that contemporaneously with the delivery of said Bonds and the receipt of the proceeds thereof, the Development

Corporation will convey to the City the fee simple title to the said lands and buildings, the City will pay out of the proceeds of said bonds the costs incurred by the Development Corporation or others in connection therewith, and will execute with Universal a Lease Agreement covering the leasing thereof to Universal for operation by its subsidiary, Customade and will assign said Lease Agreement to the Trustee; and

WHEREAS the execution and delivery of this Trust Indenture (hereinafter sometimes referred to as the "**Indenture**" or the "Trust Indenture") and the issuance of the said Industrial Development Revenue Bonds under Act No. 9 and the execution and delivery of the aforementioned Lease Agreement with Universal have been in all respects duly and validly authorized by ordinance of the City Council of the City of Conway, Arkansas, being Ordinances No.                    and                   , respectively, each duly passed and approved on the                    day of                   , 1960 (hereinafter sometimes, respectively, referred to as "**Ordinance No.**" and "**Ordinance No.**"); and

WHEREAS the Bonds, the interest coupons to be attached thereto, and the Trustee's certificate to be endorsed thereon are all to be in substantially the following form, with necessary and appropriate variations, omissions and insertions as permitted or required by this Trust Indenture, to wit:

(Form of Bond)

UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
COUNTY OF FAULKNER  
CITY OF CONWAY

INDUSTRIAL DEVELOPMENT REVENUE BOND

No. \_\_\_\_\_

\$ 1,000

KNOW ALL MEN BY THESE PRESENTS:

That the City of Conway, Arkansas, a city of the first class duly existing under the laws of the State of Arkansas, hereinafter called the "City", acknowledges itself to owe, and, for value received, hereby promises to pay to bearer, or, if this Bond be registered as to principal, to the registered owner hereof, on June 1, 19 , or earlier as hereinafter referred to, the principal sum of

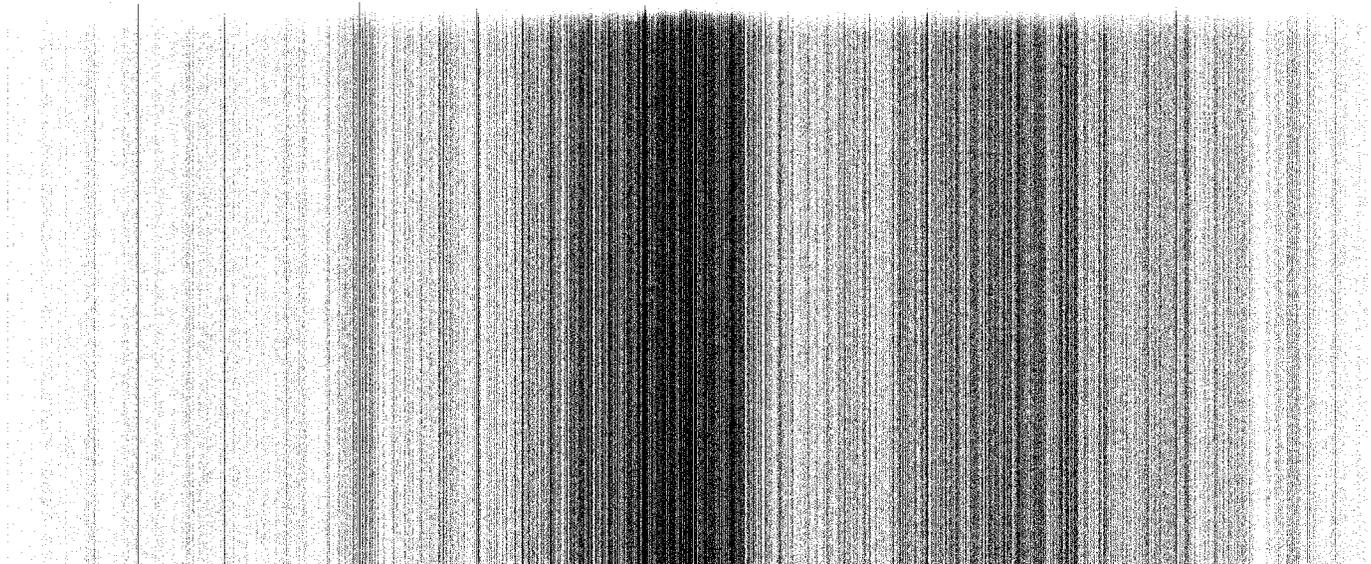
**ONE THOUSAND DOLLARS**

in such coin or currency as at the time of payment is legal tender for the payment of debts due the United States of America, upon presentation and surrender of this Bond, at the principal corporate trust office in St. Louis, Missouri, of St. Louis Union Trust Company (hereinafter, with its successors as defined in the Indenture mentioned below, generally called the "Trustee"), or at the principal office of its successor in the trusts created by said Indenture, and to pay in like coin or currency at said office interest on said principal amount from the date hereof until paid at the rate of five and one fourth per cent (5 1/4%) per annum, such interest to be payable semiannually on June 1 and December 1 of each year, commencing December 1, 1960, upon presentation and surrender of the annexed coupons as they severally become due.

✓ This Bond is one of a duly authorized series of Bonds aggregating Two Million Two Hundred Thousand Dollars (\$2,200,000),

payable solely from revenues derived from and the  
availability of the mortgaged property (as defined in the

*Handwritten mark*



known as "City of Conway Industrial Development Revenue Bonds", dated June 1, 1960, numbered consecutively from one (1) to twenty-two hundred (2200), inclusive, all of like tenor and effect except as to number, denomination, maturity and right of prior redemption.

This Bond and the series of which it forms a part are issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas, particularly Act No. 9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas, approved January 21, 1960 (herein called "Act No. 9"), and pursuant to Ordinance No. \_\_\_\_\_ duly adopted by the City Council of the City and approved on the

day of October, 1960, which ordinance authorizes the execution and delivery of said Indenture. This Bond and the series of which it forms a part are not general obligations of the City, but are special obligations <sup>inasmuch</sup> and do not constitute an indebtedness of the City within any constitutional or statutory limitation.

The Bonds are and are to be issued to provide funds to acquire lands in or near the City and manufacturing buildings constructed thereon, to complete the construction of said buildings, to acquire the necessary manufacturing facilities in connection therewith and, to the extent permitted by law, to pay other necessary expenses in connection therewith and with the Indenture and the issue, sale and delivery of the Bonds, all as permitted by Act No. 9. Said land, buildings and facilities have been leased to Universal Match Corporation, a Delaware corporation (herein referred to as "Universal"), for a rental at least sufficient to pay the principal of, premium, if any, and interest on and paying agent's fees in connection with the Bonds as the same become due and payable, and, as security for

the Bonds, said land, buildings and facilities have been mortgaged, and all rents and other income arising under said lease have been assigned, to the Trustee,

Said Bonds are all issued under and are all equally and ratably secured and entitled to the protection given by a Trust Indenture (herein with all indentures stated to be supplemental thereto to which the Trustee shall be a party, generally called the "Indenture"), dated as of \_\_\_\_\_, 1960, duly executed and delivered by the City to St. Louis Union Trust Company, St. Louis, Missouri, Trustee, which Indenture is recorded in the office of the Circuit Clerk and Ex Officio Recorder of Faulkner County, Arkansas, to which Indenture, an executed counterpart of which is on file with the Trustee, reference is hereby made for a statement of the terms and conditions upon which said Bonds are, or are to be, issued and protected, the rights and remedies under the Indenture of the holders of all of said Bonds, and the rights and obligations under the Indenture of the City and of the Trustee. Neither the foregoing reference to the Indenture nor any provision of this Bond or of the Indenture shall affect or permit any impairment of the obligation of the City to pay, at the maturities herein provided, the principal of and premium, if any, and interest on this Bond as herein provided, subject, in all cases to the provisions of said Act No. 9.

This Bond shall be treated as negotiable, subject to the provisions for registration and transfer herein and in the Indenture contained, and, except while registered as to principal otherwise than to bearer, shall pass by delivery; registration of this Bond as to principal shall not affect the negotiability of its coupons, which shall remain payable to bearer, be treated as negotiable and pass by delivery whether or not this Bond is

registered; the City, the Trustee, any paying agent, any registrar and any other person may treat the bearer from time to time of this Bond while not at the time registered as to principal otherwise than to bearer, the person in whose name this Bond may from time to time be registered as to principal otherwise than to bearer, and the bearer) from time to time of each coupon appertaining to this Bond, whether this Bond shall be registered or not, as the absolute owner of this Bond or such coupon, as the case may be, for the purpose of receiving payment therefor and for all other purposes, and neither the City nor the Trustee, nor any paying agent or registrar, shall be affected by any notice or knowledge to the contrary, whether payments on this Bond or such coupon shall be overdue or not; and the City, and every successive bearer, owner and assignee of this Bond by accepting or holding the same, consents and agrees to the foregoing provisions and each invites the others, and all persons, to rely thereon.

In certain events, on the conditions, in the manner, to the extent and with the effect set forth in the Indenture,

(1) the principal of this Bond may be declared and/or may become due and payable before the stated maturity hereof, together with the interest accrued hereon;

(2) with the written consent, filed with the Trustee, of the City and of holders of not less than sixty-six and two-thirds per cent ( $66 \frac{2}{3}\%$ ) in principal amount of the Bonds at the time outstanding, but subject to the limitations and conditions stated herein and in the Indenture, modifications or alterations of the provisions of the Indenture and of this Bond may be made;

(3) upon compliance with the conditions as provided

in the Indenture, at the bearer's option the ownership of this Bond may from time to time be registered, as to principal only, in the name of the bearer or his nominee, on books to be kept by the Trustee, upon presentation hereof at the principal corporate trust office of the Trustee and the notation of such registration hereon by the Trustee after which no transfer hereof shall be valid unless duly executed and similarly registered and noted; but this Bond, if so registered, may be discharged from registration and its transferability by delivery may be restored by like transfer to bearer similarly registered and noted; and this Bond may again from time to time, in like manner, be registered as to principal only, or be transferred to bearer;

(4) this Bond, singly or together with all or less than all other Bonds shall not be callable for redemption prior to maturity for the purpose of, directly or indirectly, refunding this Bond at an interest rate lower than that then pertaining thereto, but for any purpose other than, directly or indirectly, refunding at a lower interest rate this Bond may be called for redemption and payment on any interest payment date on and after December 1, 1965, provided no default then exists or is continuing and no event then exists which with the giving of notice or passage of time or both would constitute a default or event of default. Bonds so called for redemption shall be called in inverse order of maturity at a price equal to the principal amount thereof plus interest accrued to the date fixed for redemption plus a premium as follows:

4 1/4% if redeemed on December 1, 1965 or June 1, 1966;  
 4 % if redeemed on December 1, 1966 or June 1, 1967;  
 3 3/4% if redeemed December 1, 1967 or June 1, 1968;  
 3 1/2% if redeemed on December 1, 1968 or June 1, 1969;  
 3 1/4% if redeemed on December 1, 1969 or June 1, 1970;  
 3 % if redeemed on December 1, 1970 or June 1, 1971;  
 2 3/4% if redeemed on December 1, 1971 or June 1, 1972;  
 2 1/2% if redeemed on December 1, 1972 or June 1, 1973;  
 2 1/4% if redeemed on December 1, 1973 or June 1, 1974;  
 2 % if redeemed on December 1, 1974 or June 1, 1975;  
 1 3/4% if redeemed on December 1, 1975 or June 1, 1976;  
 1 1/2% if redeemed on December 1, 1976 or June 1, 1977;  
 1 1/4% if redeemed on December 1, 1977 or June 1, 1978;  
 1 % if redeemed on December 1, 1978 or June 1, 1979;  
 3/4% if redeemed on December 1, 1979; and no premium  
 if redeemed thereafter.

All the outstanding Bonds shall be called for redemption on the next interest payment date, consistent with the provisions herein and in the Indenture contained for the giving of notice of redemption, following the exercise by Universal of either of the options given it to purchase the demised premises by Article XXVII of the Lease or upon condemnation of the demised premises as provided in Section 17.3A of the Lease referred to herein and in the Indenture. The redemption price shall be the principal amount of the outstanding Bonds plus interest accrued to the date fixed for redemption in the case of redemption upon the exercise of the options set forth or referred to in Section 27.2 of Article XXVII of the Lease or upon condemnation of the demised premises as provided in Section 17.3A of the Lease and said amount plus the premium set forth above in the case of redemption upon the exercise of the option set forth in Section 27.3 of Article XXVII of the Lease.

Notice of any call for redemption (1) shall be given by mail, not less than 15 days and not more than 60 days prior to the date fixed for redemption, postage prepaid, to each registered holder of Bonds to be redeemed, at his address upon the transfer registry and to each holder of a Bond to be redeemed whose name appears on the list of bondholders provided for in the Indenture, and (2), shall be given by publication at least once at least 15 and not more than 60 days before the redemption date, in a newspaper, printed in the English language, customarily published

on each business day, and of general circulation, In the Borough of Manhattan, The City of New York, New York, and the City of St. Louis, Missouri. If this Bond is called, and if provision has been duly made for notice of such call and for payment hereof as required in the Indenture, thereafter this Bond shall cease to be entitled to any benefit under the Indenture (except the right to receive payment out of moneys deposited therefor), no interest shall accrue on this Bond after the date fixed for redemption, coupons thereafter maturing shall be void, and the City after said date fixed for redemption shall be under no further liability in respect of the principal of or premium, if any, or interest on this Bond (except as expressly provided in the Indenture).

Neither this Bond nor any of the coupons hereto appertaining shall be valid or deemed obligatory for any purpose or be entitled to any benefit under the Indenture until the certificate of authentication hereof shall have been signed by the Trustee.

The holder of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Upon the occurrence of the events set forth in the Indenture, this Bond and the coupons appertaining thereto may be exchanged, at the expense of the City, for Bonds and coupons bearing the higher interest rate specified in the Indenture, and reference is hereby made to the Indenture for a detailed statement of the conditions upon which such an exchange may be made.

IT IS **HEREBY** CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed

precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the indebtedness represented by this Bond and the series of which it forms a part, together with all obligations of the City, does not exceed any constitutional or statutory limitation; and that the above referred to rentals and other payments under the Lease with Universal assigned by the City to the Trustee will be sufficient to pay the principal of, premium, if any, and interest on this Bond and the series of which it forms a part, as the same become due and payable.

IN WITNESS WHEREOF, the City of Conway, Arkansas, has caused this Bond to be executed in its name by its Mayor and City Clerk, thereunto duly authorized, and its corporate seal to be affixed and has caused the interest coupons hereto attached to be executed by the signature or the facsimile signature of its Mayor, all as of the first day of June, 1960.

CITY OF CONWAY, ARKANSAS

By \_\_\_\_\_

Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

(SEAL)

(Form of Trustee's Certificate)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the series designated therein and issued under the provisions of the within mentioned Indenture.

ST. LOUIS UNION TRUST COMPANY

ST. LOUIS, MISSOURI

By \_\_\_\_\_  
Authorized Signature

St. Louis, Missouri

(Form of Interest Coupon)

No. \_\_\_\_\_

\$26 <sup>25</sup>/<sub>100</sub>

On the first day of June, the City of Conway, Arkansas  
(unless the Bond to which this coupon is attached shall have  
December  
been previously called for redemption or shall have become  
payable as provided in the Indenture referred to in said Bond  
and provision for payment thereof shall have been duly made)  
will pay to bearer at St. Louis Union Trust Company, St. Louis,  
Missouri, upon presentation and surrender hereof the sum of  
Twenty-six and 25/100 Dollars in such coin or currency as at the  
time of payment is legal tender for the payment of debts due the  
United States of America, being six (6) months' interest then  
due on its Industrial Development Revenue Bond, dated June 1,  
1960, and numbered .

CITY OF CONWAY, ARKANSAS

By \_\_\_\_\_  
Mayor

(Form for Registration of Bonds)

NOTICE: No writing below except by the Trustee

Date of Registration	Name of Registered Owner	Signature of Trustee
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

and

WHEREAS all acts, conditions and things required by the Constitution and laws of the State of Arkansas as and by the Ordinances of the City to happen, exist and be performed precedent to and in the execution and delivery of this Trust Indenture and the creation, execution and issuance of **said** Bonds, subject to the terms hereof, have happened, exist **and** have been performed as **so** required, in order to make this Trust Indenture a valid, binding and legal trust agreement for the security of the Bonds in accordance with its terms; to constitute this Trust Indenture a valid first lien on the properties mortgaged, a valid assignment of the Lease Agreement with Universal and a valid pledge of the revenues arising under said Lease Agreement for the payment of the principal of and interest on and other charges relating to said Bonds, and to constitute said Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and enforceable obligations of the City in accordance with their terms; and

WHEREAS, the Trustee has accepted the trusts created by this Trust Indenture and in evidence thereof **has** Joined in the execution thereof;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS INDENTURE WITNESSETH:

That the City in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the said Bonds by the holders and owners thereof, and of the sum of One Dollar (\$1.00), lawful money of the United States of America, to it duly paid by the Trustee, at or before the execution and delivery of these presents, and for other good and valuable considerations, the

receipt of which is hereby acknowledged, in order to secure the payment of the principal of and interest on and other charges relating to the Bonds according to their tenor and effect and the performance and observance by the City of all the covenants expressed or implied herein and in the Bonds, does hereby

Grant, bargain, sell, convey, assign, transfer, mortgage, pledge and confirm unto St. Louis Union Trust Company, St. Louis, Missouri, Trustee, and unto its successor or successors in trust, and to them and their assigns forever:

(i) A certain parcel of land situate in the County of Faulkner and State of Arkansas, being a part of the Northwest Quarter of Section 18, Township 5 North, Range 13 West, described as follows:

Commencing at a point 15.75 chains North of the Southwest corner of said Northwest Quarter of said Section and running thence North 81° East 18.25 chains to the West boundary line of the Missouri Pacific Railroad right-of-way, thence running Northwestwardly along the West boundary line of said Missouri Pacific Railroad right-of-way to the South line of Robins Street, thence West along the South line of Robins Street to the West line of said Northwest Quarter of said Section, thence South to point of beginning, containing 31 acres, more or less;

(ii) together with all right, title and interest of the City in and to the multipurpose factory building and other buildings, structures, facilities, equipment and other improvements now or hereafter erected thereon and all extensions, additions, improvements, betterments, renewals, and replacements, of, to, or upon any of said property;

(iii) together with all fixtures of every kind and nature whatsoever, movable or immovable, now owned or hereafter acquired by the City and used or procured for use in connection with the operation and maintenance of

the buildings on said land, including, without limiting the generality of the foregoing, any of the following: boilers, pumps, tanks, electric panel switchboards, sprinklers, if any, lighting equipment and wiring, heating, plumbing and ventilating apparatus, elevators, escalators, refrigerating, air conditioning and air-cooling equipment, and all other building service equipment now or hereafter used or procured for use in connection with the operation and maintenance of said buildings. Said fixtures and other building service equipment are hereinafter referred to as the "building service equipment";

(iv) together with all right, title and interest of the City in and to all machinery and equipment installed for the use of Universal and/or Customade in any building on said land. Said machinery and equipment are hereinafter referred to collectively as "the City's machinery and equipment"; and

(v) all right, title and interest of the City in and to all improvements, accretions, replacements, substitutions and appurtenances thereunto belonging or in anywise appertaining and all other personal property at any time and from time to time placed in said building and leased to Universal.

The said land with said factory and other buildings and building service equipment, including all buildings and structures of a fixed and permanent character, thereon at any time, are hereinafter collectively referred to as the "demised premises". Said term also includes the City's machinery and equipment, unless the context indicates

that the same is not intended to be included in such reference,

(vi) all revenues and income to be derived by the City from the demised premises including, without limitation, the City's entire interest as Lessor in and to a certain Lease Agreement relating to the demised premises dated \_\_\_\_\_, 1960, from the City, as Lessor, to Universal, as Lessee (which lease is hereinafter sometimes referred to as the "Lease") which Lease is recorded in the office of the Circuit Clerk and Ex Officio Recorder of Faulkner County Arkansas.

TOGETHER with all rents, income, payments and profits arising from or under the Lease and renewals thereof and together with all rents, income, payments and profits for the use and occupation of the premises described in the Lease and from all leases upon said premises which may be executed in the future during the term of this Trust Indenture.

WITHOUT limiting the foregoing and in addition thereto, the City does hereby assign, transfer and set over unto the Trustee the immediate and continuing right to receive all notices, offers, demands, statements, documents, insurance policies or certificates, and other communications which Lessee is required or permitted to give, make or deliver or to serve upon the City under the Lease, and to make all waivers and agreements, give all notices, consents, requests, approvals, demands and releases, and to do any and all other things whatsoever which the City is or may become entitled as lessor to do under the Lease, The City hereby authorizes and

<sup>c</sup>  
(insert)

But specifically reserving and excepting from this Trust Indenture the last day of the term of each leasehold estate now or hereafter enjoyed by the City and now or hereafter subject to the lien of this Trust Indenture.

directs the Lessee named in the Lease or any other or future lessee or occupant of the premises described therein to pay over to the Trustee all rents, income, payments, proceeds of insurance, condemnation awards and profits arising or accruing under the Lease or from the premises described therein, to deliver to the Trustee all notices, offers, demands, statements, documents, insurance policies or certificates, and other communications which the Lessee is required or permitted to give, make or deliver or to serve upon the Lessor, to accept from the Trustee and act upon the same as if given or made by the Lessor all waivers, agreements, notices, consents, requests, approvals, demands and releases given or made by the Trustee, and to continue so to do until otherwise notified by the Trustee.

(vii) Any and all other property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder by the City or by anyone in its behalf, or with its written consent to the Trustee which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof,

*insert new paragraph*  
TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said trusts and to them and their assigns forever;

BUT IN TRUST NEVERTHELESS, for the equal and proportionate benefit, security and protection of those who from time to time shall hold the Bonds and interest coupons

authenticated and delivered under the Indenture and duly issued by the City without privilege, priority or distinction as to lien or otherwise of any of said Bonds or coupons thereto attached over any of the others of said bonds (except as otherwise required by Section 207 hereof).

THIS INDENTURE **FURTHER** WITNESSETH that, and it is expressly declared that, all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said revenue and income hereby pledged is to be dealt **with** and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, **with** the Trustee and with the respective holders **and** owners, from time to time, of the said Bonds or coupons, or any part thereof, **as** follows, that is to say:

ARTICLE I  
DEFINITIONS

Section 101. In addition to the words and terms elsewhere defined in the preambles to this Indenture, the following words and terms as used in this Indenture shall have the following meanings:

"Coupons" - The interest coupons attached to the Bonds.

"Mortgaged Property" - The properties (real and personal, tangible and intangible) described in the granting clauses hereof, including, without limitation, the properties originally leased to Universal under the Lease, the interests of the City in such Lease and which are assigned hereunder and all properties which, under the terms of the Indenture, subsequently become subject to the lien of the Indenture, but excluding all property owned by Universal and to which title, under the terms of the Indenture, remains in Universal.

"Outstanding hereunder" - "Bonds outstanding hereunder" - All Bonds which have been authenticated and delivered under this Indenture except:

- (a) Bonds cancelled because of payment or redemption prior to maturity; and
- (b) Bonds for the payment or redemption of which cash shall have been theretofore irrevocably deposited with the Trustee and Paying Agent (whether upon or prior to the maturity or redemption date of any of such Bonds) provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or provision satisfactory to the Trustee and Paying Agent shall have been made therefor, or a waiver of such notice, satisfactory in form to the Trustee and Paying Agent, shall have been filed with the Trustee and Paying Agent.

"Owner of the Bonds", "Holder", "Bondholder", or words of similar import - The bearer of the bearer Bonds and the registered owner of Bonds registered as to principal,

"Paying Agent" - The Trustee for the time being in office under this Indenture, The original Paying Agent is St.

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Louis Union Trust Company, St. Louis, Missouri.

"Paying Agent's fees" - The fees charged by the Trustee for acting as Paying Agent and the Trustee's regular annual or periodical fee for acting as Trustee but not the Trustee's initial authenticating or acceptance fee or any special or non-regular fee resulting from the taking of any action authorized or permitted by the Indenture to protect or fully realize the security of the bondholders.

"Person" - Includes natural persons, **firms**, associations, corporations and public bodies.

"Trustee" - The Trustee for the time being, whether original or successor, the original Trustee being St. Louis Union Trust Company, St. Louis, Missouri.

"Trust estate" or "property herein conveyed" - The Mortgaged Property.

Section 102. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond", "coupon", "owner", "holder", and "person" shall include the plural, as well as the singular number.

## ARTICLE II

### THE BONDS

Section 201. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article, and the total principal amount of Bonds that may be issued is hereby expressly limited to \$2,200,000, Forthwith upon or from time to time after the execution and delivery of this Indenture the City may execute and deliver to the Trustee any or all of such \$2,200,000 principal amount of Bonds, and thereupon and without further action on the part of the City the Trustee shall authenticate the same and deliver

them to or upon a written order or written orders signed by the Mayor of the City against payment therefor to the Trustee of the principal amount thereof plus interest accrued to the date of delivery and payment,

Section 202. The Bonds shall be designated "City of Conway, Industrial Development Revenue Bonds". They shall be dated June 1, 1960 and shall bear interest <sup>from said date</sup> at the rate of five and one-fourth per cent (5 1/4%) per annum, payable semi-annually on June 1 and December 1 of each year commencing December 1, 1960. Except as hereinafter in this Section 202 set forth, the Bonds shall be in the denomination of \$1,000 each and shall be numbered consecutively from 1 to 2200, inclusive, and shall be printed or lithographed on engraved borders. They shall mature serially, unless sooner redeemed in the manner hereinafter set forth, annually on June 1 in each of the years 1961 through 1980 in the amount set opposite each of such years in the following schedule:

<u>YEAR</u>	<u>AMOUNT</u>	<u>BOND NOS.</u>
1961	\$ 62,000	1 - 62
1962	65,000	63 -127
1963	69,000	128 -196
1964	73,000	197 -269
1965	77,000	270 -346
1966	82,000	347 -428
1967	86,000	429 -514
1968	91,000	515 -605
1969	96,000	606 -701
1970	102,000	702 -803
1971	108,000	804 -911
1972	114,000	912-1025
1973	120,000	1026-1145
1974	127,000	1146-1272
1975	134,000	1273-1406
1976	142,000	1407-1548
1977	150,000	1549-1698
1978	158,000	1699-1856
1979	167,000	1857-2023
1980	177,000	2024-2200

Notwithstanding the foregoing provisions with respect to the denominations of Bonds, the Bonds initially issued (in this Article II referred to as the "Initially Issued Bonds")

shall consist of twenty bearer Bonds, one in each of the twenty principal amounts set forth in the foregoing table. The numbering of the Initially Issued Bonds shall be consistent with their respective maturities and principal amounts, so that Initially Issued Bond numbered 1-62 shall be in the amount of \$62,000 and shall mature June 1, 1961, Initially Issued Bond numbered 63-127 shall be in the amount of \$65,000 and shall mature June 1, 1962, and so on through Initially Issued Bond numbered 2024-2200 which shall be in the amount of \$177,000 and shall mature June 1, 1980. The coupons pertaining to the Initially Issued Bonds shall reflect the principal amount thereof so that each coupon pertaining to Initially Issued Bond No. 1-62 will be in the amount of \$1627.50, each coupon pertaining to Initially Issued Bond No. 63-127 shall be in the amount of \$1706.25 and so on through Initially Issued Bond No. 2024-2200, the coupons pertaining to which shall be in the amount of \$4646.25. The Initially Issued Bonds and the coupons pertaining thereto may be mimeographed or multilithed rather than lithographed or printed on engraved borders and such coupons shall be manually signed by the Mayor of the City notwithstanding the provisions of Section 203. The bearer of any Initially Issued Bond may at any time surrender the same, accompanied by all unmatured coupons, if any, at the principal corporate trust office of the Trustee in exchange for Bonds in thousand dollar denominations with all unmatured coupons attached bearing the same numbers as the Initially Issued Bond so surrendered, No charge shall be made for any such exchange. The Trustee is hereby authorized and directed upon such surrender or upon written notice from a holder of an Initially Issued Bond or Bonds that such surrender will be made within thirty days to cause Bonds and coupons in the form and denomination provided herein for other than Initially Issued Bonds to be prepared, the expense thereof to be a charge against

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the trust estate payable in the manner provided herein for other charges and expenses incurred by the Trustee in carrying out the trusts hereunder. When such Bonds are prepared, the Trustee shall deliver the same to the City and the City shall, and hereby covenants and agrees to, promptly execute the same by its Mayor and City Clerk and under its seal, all **as** provided in Section 203 hereof and return the same to the Trustee for delivery upon such surrender for exchange of an Initially Issued Bond or Bonds. Any Initially Issued Bond embodying the number of any Bond called for redemption as provided in Article III hereof shall be exchanged for Bonds if less than all the Bonds for which it is exchangeable are called for redemption.

The interest on the Bonds shall be evidenced by interest coupons. The Bonds and coupons may be presented for payment, and notices or demands with respect thereto or to this Indenture may be served or made, at the principal corporate trust office of the Trustee. Payment of the Bonds and coupons shall be in any coin or currency which on the respective dates of payment of such principal and interest is legal tender **for** the payment of debts due the United States of America.

Section 203. The Bonds shall be executed on behalf of the City by the Mayor and City Clerk thereof and shall have impressed thereon the seal of the City. The coupons attached to the Bonds shall be executed by the facsimile signature of the Mayor which facsimile signature shall have the same force and effect as if the Mayor had personally signed each of said coupons. In case any officer whose signature or facsimile of whose signature shall appear on the Bonds or coupons shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

Section 204. Only such Bonds as shall have endorsed thereon a Certificate of Authentication substantially in the form hereinafove set forth duly executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond and no coupon appertaining to any Bond shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee, and such Certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture, The Trustee's Certificate of Authentication on any Bond shall be deemed to have been executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of Authentication on all of the Bonds issued hereunder. Before authenticating or delivering any Bonds, the Trustee shall detach and cancel all matured coupons, if any, appertaining thereto, and such cancelled coupons shall be cremated by the Trustee.

Section 205. The Bonds issued under this Indenture and the coupons attached thereto shall be substantially in the form hereinabove set forth with such appropriate variations, omissions and insertions as are permitted or required by this Indenture.

Section 206. The Bonds shall be treated as negotiable, subject to the provisions for registration and transfer contained in the Bonds and herein, and any Bonds, except while-registered as to principal otherwise than to bearer, shall pass by delivery. Registration of any Bond as to principal shall not affect the negotiability of its coupons. The City, the Trustee and all persons may treat the registered owner of any Bond registered as to principal, and the bearer of any coupon or Bond not registered as to principal, as the absolute owner thereof for all purposes, and neither the City nor the Trustee shall be affected

by any notice or knowledge to the contrary, whether' payments on such Bond or coupon shall be overdue or not. The City, and every successive registered owner, bearer and assignee of the Bonds by accepting or holding the same, consents and agrees to the foregoing provisions of this section, and each invites the others and all persons to rely thereon.

Section 207. No coupon which in any way at or after its maturity shall have been transferred or pledged apart from the Bond to which it appertains, and no coupon ~~the~~ the payment of which shall have been extended in any manner whatsoever, shall be entitled to any of the benefits of this Indenture except after the prior payment in full of all Bonds and of coupons not so transferred, pledged or extended; provided, however, that the foregoing provisions shall not apply to any coupon transferred, pledged or extended pursuant to a plan accepted by and binding upon the holders of not less than two-thirds in aggregate principal amount of the Bonds at the time outstanding.

Section 208. In case any Bond issued hereunder shall become mutilated or be destroyed or lost, the City shall, if not then prohibited by law, cause to be executed and the Trustee may authenticate and deliver a new Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond and its interest coupons, or in lieu of and in substitution for such Bond and its coupons destroyed or lost, upon the holder's or owner's paying the reasonable expenses and charges of the City and the Trustee in connection therewith, and, in case of a Bond destroyed or lost, his filing with the Trustee evidence satisfactory to it that such Bond and coupons were destroyed or lost, and of his ownership thereof, and furnishing the City and Trustee with indemnity satisfactory to them. The Trustee is hereby authorized to authenticate any such new Bond.

Section 209. The City shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee as Bond registrar. At the option of the bearer, any Bond may be registered **as** to principal alone on such books, upon presentation thereof to the Bond registrar, which shall make notation of such registration thereon. Any Bond registered as to principal may thereafter be transferred **only** upon an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond registrar, such transfer to be made on such books and endorsed on the Bond by the Bond registrar. Such transfer may be to bearer and thereafter transferability by delivery shall be restored, subject, however, to successive registrations and transfers as before. The principal of any Bond registered as to principal, unless registered to bearer, shall be payable only to or upon the order of the registered owner or **his** legal representative. No charge shall be made to any bondholder for the privilege of registration and transfer hereinabove granted, but any bondholder requesting any such registration or transfer shall pay any tax or other governmental charge required to be paid with respect thereto. The Trustee is hereby appointed the agent of the City for the payment, registration, transfer and exchange of Bonds.

✓ **All** Bonds executed, authenticated and delivered upon transfers of or in exchange or substitution for Bonds pursuant to this Section, Section 202, Section 208 or Section 210 hereof shall be accompanied by unmatured coupons, **so** that no gain or loss of interest shall result, shall be valid obligations of the City, evidencing the same debt and bearing the same number **as** the Bonds surrendered or for which substitution is made, and **shall** be entitled to all the benefits and protection hereof to the same extent as the Bonds upon transfer of or in exchange or substitution for which they were executed, authenticated and delivered.

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Section 210. In the event that any agent of the Federal Internal Revenue Service examining the income tax returns of any holder or registered owner of any of the Bonds determines that interest on the Bond or Bonds so held is not exempt from United States of America income taxation, the holder or registered owner of any Bond as to which such determination is applicable may give written notice thereof to the Trustee, which notice shall state the numbers of Bonds held and the earliest coupon representing such interest to which such determination relates. Such notice, if given, shall be given either with reasonable promptness after such determination or with reasonable Promptness after such holder has taken without success such action as it, in its sole discretion, sees fit to cause the reversal of such determination. If such holder is the holder of <sup>or more</sup> 20% in aggregate principal amount of the Bonds then outstanding hereunder, the Trustee shall, on the June 1 or December 1, whichever shall first occur, next succeeding such notice, upon surrender of the coupons maturing on such June 1 or December 1 pertaining to the Bonds referred to in said notice, pay to such holder (in addition to the amount represented by such coupons) an amount computed at the rate of 3/4% per annum on the principal amount of Bonds to which such coupons relate from the date to which such determination of non-exemption related to such June 1 and December 1. If such holder is not the holder of <sup>at least</sup> 20% of such principal amount of Bonds, such payment shall not be made until the June 1 or December 1, whichever shall first occur, next succeeding the date when such notices have been received from persons holding in the aggregate <sup>at least</sup> 20% of such principal amount of Bonds. Such payments shall be made from the Bond Fund provided for in Article V and Universal shall promptly be given notice thereof by the Trustee, such notice to constitute a demand for payment of the amount of such payments as rent under Section 4.1 of

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the Lease, **From** and after the date payments are first made by the Trustee under this Section 210 all the Bonds (without necessity of surrender thereof for notation) shall bear interest at the rate of 6% per annum and the coupons pertaining thereto shall be deemed to provide for such higher rate of interest but any bondholder may, by written notice to the City and the Trustee, require the City to issue and deliver to the Trustee and the Trustee to authenticate and deliver to such holder or registered owner, against surrender of an equivalent principal amount of outstanding Bonds, with all unmatured coupons attached, a Bond or Bonds of like number, tenor and effect and equal and ratably secured with all other Bonds issued hereunder but Indicating on its face and on the coupons pertaining thereto that the rate of interest thereon or represented thereby, as the case may be, is 6% per annum. The Trustee shall cause said Bonds to be prepared and the costs and expenses relating thereto shall be paid in the same manner as that provided in Section 202 with respect to the issue of Bonds in exchange **for** Initially Issued Bonds.

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY

Section 301. The Bonds shall not be callable for redemption prior to maturity for the purpose of, directly or indirectly, refunding the Bonds at a rate lower than that then pertaining thereto (5 1/4% or 6%, as the case may be), but for any purpose other than, directly or indirectly, refunding at a lower interest rate the Bonds may be called for redemption and payment on any interest payment date on and after December 1, 1965 provided no default then exists or is continuing and no event then exists which with the giving of notice or passage of time or both would constitute a default or event of default. Bonds so called for redemption shall be called in inverse order of maturity at a price equal to the principal amount thereof plus interest accrued to the date fixed for redemption plus a premium as follows:

- 4 1/4% if redeemed on December 1, 1965 or June 1, 1966;
- 4 % if redeemed on December 1, 1966 or June 1, 1967;
- 3 3/4% if redeemed on December 1, 1967 or June 1, 1968;
- 3 1/2% if redeemed on December 1, 1968 or June 1, 1969;
- 3 1/4% if redeemed on December 1, 1969 or June 1, 1970;
- 3 % if redeemed on December 1, 1970 or June 1, 1971;
- 2 3/4% if redeemed on December 1, 1971 or June 1, 1972;
- 2 1/2% if redeemed on December 1, 1972 or June 1, 1973;
- 2 1/4% if redeemed on December 1, 1973 or June 1, 1974;
- 2 % if redeemed on December 1, 1974 or June 1, 1975;
- 1 3/4% if redeemed on December 1, 1975 or June 1, 1976;
- 1 1/2% if redeemed on December 1, 1976 or June 1, 1977;
- 1 1/4% if redeemed on December 1, 1977 or June 1, 1978;
- 1 % if redeemed on December 1, 1978 or June 1, 1979;
- 3/4 % if redeemed on December 1, 1979; and no premium if redeemed thereafter.

All the outstanding Bonds shall be called for redemption on the next interest payment date, consistent with the provisions herein contained for the giving of notice of redemption, following the exercise by Universal of the options to purchase the demised premises set forth or referred to in Article XXVII of the Lease or upon condemnation of the demised premises as provided in Section 17.3A of the Lease and Bonds shall be so called for redemption upon the occurrence of the conditions specified in Section 17.3B(e) of the Lease. The redemption price shall be the principal

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amount of the outstanding Bonds plus interest accrued to the date fixed for redemption in the case of redemption upon the exercise of the options set forth or referred to in Section 27.2 of Article XXVII of the Lease or in case of redemption pursuant to Section 17.3B(e) of the Lease or upon condemnation of the demised premises as provided in Section 17.3A of the Lease and said amount plus the premium set forth above in the case of redemption upon the exercise of the option set forth in Section 27.3 of Article XXVII of the Lease.

Section 302. In case the City shall elect to redeem Bonds it shall, in each instance, at least 15 days before the date upon which the notice of redemption herein provided for is to be given, notify the Trustee in writing of such election and of the aggregate principal amount of the Bonds to be redeemed, and thereupon, if less than all the outstanding Bonds of a particular maturity are to be redeemed, the particular Bonds of the same maturity to be redeemed shall be, either (1) designated by the Trustee in accordance with the provisions of any written agreement duly executed by the holders of all of the outstanding Bonds (if at the time all of the Bonds shall be either Bonds registered as to principal or bearer Bonds whose holders have filed their names with the Trustee as hereinafter provided in Section 409) and filed with the Trustee at or before such designation, or (2) if the provisions of the foregoing clause (1) shall not be applicable, selected by the Trustee by lot in any manner deemed by it proper.

Upon the City's election to redeem Bonds or if Bonds are required to be redeemed pursuant to the provisions of Section 301, notice of call for redemption shall be given by the Trustee (1) by mail, not less than 15 days and not more than 60 days prior to the date fixed for redemption, postage prepaid, to each registered holder of Bonds to be redeemed, at his address upon the transfer registry and to each holder of a Bond to be redeemed whose name appears on the list of bondholders provided for in Section 409 hereof and (2) by publication at least 15 and

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not more than 60 days before the redemption date, in a newspaper printed in the English language, customarily published on each business day, and of general circulation in the Borough of Manhattan, The City of New York, New York, and the City of St. Louis, Missouri, Failure to give any notice by mail if notice is given by publication shall not affect any redemption proceedings. Action taken by the Trustee hereunder in connection with such redemption shall be on behalf of the City and the cost and expense thereof shall be a charge against the trust estate. No notice by mail or publication need be given if the holders of all Bonds to be redeemed waive notice thereof in writing filed with the Trustee.

Such required notice shall specify the redemption price for the Bonds so called, the date and place designated for redemption, and, if a part only of the Bonds is to be redeemed, the numbers of the particular Bonds selected for redemption and shall state the effect of such redemption substantially, to the extent applicable, as set forth in the second and third paragraphs of Section 303 hereof.

Section 303. At least one business day before the date fixed for redemption the City will irrevocably deposit with the Trustee an amount of money sufficient (with any other money then held by the Trustee on the trusts hereof available for the purpose) for the payment of the principal of, and premium (if any) and accrued and unpaid interest to the redemption date on, the Bonds designated or selected by the Trustee for redemption. Such money shall be held upon the trusts hereof for the account of the holders of the Bonds so designated or selected, and shall be applied by the Trustee to the payment of the principal of, and premium (if any) and accrued and unpaid interest to the date fixed for redemption on, such Bonds, upon presentation and surrender of such Bonds accompanied by all (if any) unmatured coupons thereto appertaining. In the

case of payment of any Bond registered as to principal, such Bond must also be accompanied by a duly executed instrument of transfer unless payment is made direct to the registered holder.

After such deposit and provision satisfactory to the Trustee for giving the requisite notice of redemption shall have been made, the Bonds, to the extent so called, whether or not presented for redemption, shall cease to be entitled to any benefit or protection under this Indenture (except the right to receive payment of the moneys deposited and held for the payment thereof); and thereupon such Bonds, to the extent called, shall become due and payable on the redemption date duly specified in said notice, no interest will accrue on any such Bonds on or after said date, coupons (if any) maturing after that date will be void, and the holders of such Bonds, to the extent so called, shall after the date look for the payment of the called principal, and premium (if any) and accrued and unpaid interest, solely to the money so deposited with and held by the Trustee for that purpose, and not to the City\*

All Bonds so redeemed shall forthwith be cancelled by the Trustee and delivered to the City, and no Bond shall be issued hereunder in place of any **such** Bond, **except as** provided in Section 202 with respect to Initially Issued Bonds.

Section 304. All unpaid interest coupons which appertain to Bonds so called for redemption and which shall have become payable on or prior to the date of redemption shall continue to be payable to the bearers severally and respectively upon the presentation and surrender of such coupons.

It is expressly understood and agreed that the principal of and interest and premium, if any, on the bonds issued under this Indenture, the Paying Agent's fees, and any other <sup>payments which the City is specifically required to make</sup> ~~fees, charges, expenses, interest, and costs of~~

~~the same shall be payable by the City.~~

~~or under any article, section or provision of the bonds~~  
or under any article, section or provision of this Indenture shall be payable solely from revenues derived from and the avails of the mortgaged property.

ARTICLE IV

GENERAL COVENANTS

Section 401. The City covenants that it will promptly pay the principal of and interest and premium, if any, on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in said Bonds, and in the coupons appertaining thereto according to the true intent and meaning thereof but the Bonds and interest thereon do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision. Except insofar as principal and interest and premium, if any, on the Bonds are paid by persons other than the City, such principal, premium and interest (except interest, if any, paid from the proceeds from the sale of the Bonds and accrued interest) are payable solely from revenues derived from and the avails of the Mortgaged Property, and nothing in the Bonds or coupons or in this Indenture should be considered as pledging any other funds or assets of the City. <sup>Insert</sup>

Section 402. The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all ordinances pertaining thereto. The City covenants that it is duly authorized under the Constitution and laws of the State of Arkansas, including particularly and without limitation Act No, 9, to issue the Bonds authorized hereby and to execute this Indenture, to mortgage and assign the property described and mortgaged and assigned herein and to pledge the revenues pertaining thereto in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this

Indenture has been duly and effectively taken; and that the Bonds in the hands of the holders and owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

Section 403. The City covenants that it lawfully owns and is lawfully possessed of the lands and interests in land and building service equipment and the City's machinery and equipment described and mortgaged herein and that, as to such lands and interests in lands, it has good and indefeasible title and estate therein in fee simple and, as to such building service equipment and the City's machinery and equipment, it owns the same free and clear of all liens, charges and encumbrances whatsoever, subject in all cases only to the Lease, and that it warrants and will defend the title thereto and every part thereof to the Trustee, its successors and assigns, for the benefit of the holders and owners of the Bonds against the claims and demands of all persons whomsoever, The City covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indenture or indentures supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, mortgaging, pledging, assigning and confirming unto the Trustee all and singular the property herein described and the revenues pledged hereby to the payment of the principal of and interest on the Bonds.

Section 404. The City covenants that it will not sell or otherwise dispose of or encumber the Mortgaged Property or any part thereof or interest therein and will not create or permit to be created any charge or lien on the revenues derived therefrom except as provided in this Indenture.

Section 405. The City covenants that it will promptly cause to be paid all lawful taxes, charges, assessments, imposts and governmental charges at any time levied or assessed upon or against the Mortgaged Property, or any part thereof, which might impair or prejudice the lien and priority of this Indenture; provided, however, that nothing contained in this Section shall require the City to cause to be paid any such taxes, assessments, imposts or charges so long as the validity thereof is being contested in good faith and by appropriate legal proceedings, and provided, also that such delay in payment shall not subject the Mortgaged Property or any part thereof to forfeiture or sale

or delay any payment to the Trustee of any rentals or other payments under the Lease or subject any such payment to any lien, charge or encumbrance.

Section 406. The City covenants that it will at all times cause to be maintained, preserved and kept the Mortgaged Property in good condition, repair and working order, and that it will from time to time cause to be made all needed repairs, replacements, additions, betterments and improvements so that the operation and business pertaining to the Mortgaged Property shall at all times be conducted properly and so that the Mortgaged Property shall be fully maintained.

Section 407. The City covenants that it will cause this Indenture and all indentures supplemental thereto, to be kept recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the holders and owners of the Bonds and the rights of the Trustee hereunder,

Section 408. The City covenants that so long as any Bonds issued hereunder and secured by this Indenture shall be outstanding and unpaid the City will keep, or cause to be kept, proper books of record and account, in which full, true and correct entries will be made of all dealings or transactions of and in relation to the Mortgaged Property and the revenues derived therefrom. When requested by the Trustee, the City agrees to have the said books of record and account audited by an independent Certified Public Accountant.

The City further covenants that all books and documents relating to the project and the revenues derived from the project shall at all times be open to the inspection of

such accountants or other agencies as the Trustee may from time to time designate,

Section 409. To the extent that such information shall be made known to the City under the terms of this section, it will keep on file at the office of the Trustee a list of names and addresses of the last known holders of all Bonds payable to bearer and believed to be held by each of such last known holders, Any bondholder may request that his name and address be placed on said list by filing a written request with the City or with the Trustee, which request shall include a statement of the principal amount of Bonds held by such holder and the numbers of such Bonds. The Trustee shall be under no responsibility with regard to the accuracy of said list. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by holders and/or owners (or a designated representative thereof) of ten per cent (10%) or more in principal amount of Bonds outstanding hereunder, such ownership and the authority of any such) designated representative to be evidenced to the satisfaction of the Trustee.

Section 410. The City covenants and warrants that it is the sole owner of the entire Lessor's interest in the Lease; that the Lease is valid and enforceable and in full force and effect and has not been altered, modified or amended in any manner whatsoever; that the Lessee named therein is not in default under any of the terms, covenants or conditions thereof; that no rent reserved in the Lease has been assigned or anticipated; that no rent for any period subsequent to the date of this Indenture has been collected in advance of the time when the same became due under the terms of the Lease; and that no set-off or counterclaim exists in favor of the Lessee against the City,

Section 411. The City covenants to observe and perform all the obligations imposed upon the Lessor under the Lease and not to do or permit to be done anything to impair the security thereof; not to collect any of the rent, income, profits or other payments arising or accruing under the Lease or from the premises described therein in advance of the time when the same shall become due; not to execute any other assignment of Lessor's interest in the Lease or assignment of rents or other payments arising or accruing from the Lease or from the premises described therein; not to alter, modify or change the terms of the Lease or cancel or terminate the same or accept a surrender thereof without the prior written consent of the Trustee; to assign and transfer to the Trustee any and all subsequent leases upon all or any part of the premises described in the Lease and to execute and deliver at the request of the Trustee all such further assurances and assignments in the premises as the Trustee shall from time to time require. To the extent, if any, that any of the Mortgaged Property is non-assignable in its nature and title thereto will not pass by the granting clauses of this Indenture, the City agrees that it will hold the same in trust for the benefit of the holders of the Bonds and will pay over to the Trustee any proceeds realized upon or from such part of the Mortgaged Property. The City further covenants and agrees that, in the event that there are any rights or interests constituting part of the Mortgaged Property which cannot be transferred or assigned by it without the consent of a third party and in respect of which any necessary consent has not at the date of delivery of this Indenture been given or obtained, the beneficial interest in and to the same shall in any event pass hereby to the Trustee and the City covenants and agrees to hold and hereby declares

that **it** holds such rights and interests in trust for and for the benefit of the holders of the Bonds to **use** all reasonable efforts to obtain and secure any and all consents that may be required to effect a valid transfer or transfers of such rights' and interests and to **make** or complete such transfer or transfers as **soon** as reasonably possible.

ARTICLE V

REVENUES AND FUNDS

Section 501. There is hereby created and ordered to be established with the Trustee a trust fund to be designated "City of Conway, 1960 Industrial Development Bond Fund" (which is sometimes referred to herein as the "Bond Fund").

Section 502. The Trustee shall deposit to the credit of the Bond Fund all accrued interest received at the time of the delivery of the Bonds. The Trustee shall also deposit to the credit of the Bond Fund, as and when received by the Trustee, all payments received by the Trustee pursuant to Sections 4.1, 12.3, 16.5, 17.1, 17.3 (other than subsection 17.3B(d)), 17.4 and 27.5 of the Lease (which payments are assigned by this Indenture to the Trustee), and, but only after first deducting all the Trustee's charges and expenses in connection therewith, all payments so received pursuant to Sections 19.1 and 19.2 of the Lease. Funds not otherwise provided for herein may also be deposited by the Trustee to the credit of the Bond Fund and shall be so deposited if the person depositing the same so directs. Furthermore, the City hereby covenants and agrees that so long as any of the Bonds issued hereunder are outstanding, it will pay to the Trustee for deposit to the credit of the Bond Fund any and all sums it may from time to time in any manner receive from or on account of the Mortgaged Property and which for any reason were not paid directly to the Trustee as provided herein, and to this end the City covenants and agrees that, so long as any Bonds issued hereunder are outstanding, it will cause the Mortgaged Property to be continuously operated as a revenue and income producing undertaking. Nothing herein shall be construed as requiring the City to use any funds or revenues from any source other than funds and revenues derived from the Mortgaged Property for the payment of the principal of, interest and premium, if any, on and Paying Agent's fees in

connection with the Bonds, but nothing herein shall be construed as prohibiting the City from doing so.

Section 503. Moneys in the Bond Fund shall be expended only as provided in this Indenture. When all of the Bonds issued hereunder shall have been fully paid and discharged, the balance, if any, in the Bond Fund shall be disbursed to the City or whoever shall be then entitled thereto. The Trustee is hereby authorized and directed (i) to transfer from the Bond Fund, one day before any payment of principal of or premium, if any, or interest on any Bond becomes due and payable, to a separate fund in its trust department an amount equal to the principal, premium and interest so becoming due and payable and (ii) to pay from the Bond Fund, as the same become due and payable in the ordinary course, the Paying Agent's fees and all other fees, expenses and charges which the Trustee is required or permitted to pay hereunder and under the Lease and for which payments are or are to be made by Lessee under the Lease under Section 4.1(b) and 4.1(c) of the Lease.

Section 504. The Trustee is hereby authorized and directed, from the separate fund created under Section 503, to pay the principal of and premium, if any, and interest on all outstanding Bonds as the same become due and payable and are presented for payment.

Section 505. There is hereby created and ordered to be established with the Trustee a trust fund to be designated the "Universal Lease Fund" and the Trustee shall deposit to the credit of such Fund all sums, if any, received by it under Sections 4.2, 5.1, 5.3, 7.1, 9.2, 11.1, 15.1, 16.2 and 17.3B(d) of the Lease. The Trustee shall make disbursements from such Fund as follows:

An amount equal to any sums received under Section 4.2 of the Lease shall be used to pay the impositions referred to in said Section 4.2;

An amount equal to any sums received under Sections 5.1, 5.3, 7.1, 9.2, 11.1 and 15.1, respectively, shall be used to reimburse the Trustee for costs and expenses for which indemnification or reimbursement is provided in said respective Sections; and

An amount equal to any sums received under Section 16.2 and Article XVII, respectively, of the Lease **shall**, unless a default as defined and provided in the Lease exists, be used as provided in said respective Section or Article.

Section 506. The proceeds of **the** sale of the Bonds (other than accrued interest) shall be deposited by the Trustee in a special trust account designated "Industrial Development Construction Fund - Universal Project". The amount **so** deposited therein from time to time shall be disbursed by the Trustee in accordance with the provisions and in the order following:

(a) Without other authorization, it shall disburse to itself its fee in an amount **not** to exceed **Two Thousand One Hundred Dollars (\$2,100.00)** , for accepting this trust and authenticating and delivering Bonds plus an amount equal to its legal fees and expenses and the legal fees and expenses of counsel to the purchaser of the Bonds, which latter fees and expenses it is authorized and directed to pay upon receipt of a reasonably itemized statement thereof.

(b) It shall disburse to the Development Corporation and others who shall have contributed funds to the development of the demised premises (including, but without limitation, the holder of any mortgage on the demised premises securing money borrowed by Development Corporation for the development **of** the demised premises), such amounts not in excess of **\$ 1,650,000**, as Title Insurance Corporation of St. Louis, St. Louis, Missouri, shall certify to the Trustee **as** having been deposited by the Development Corporation or such others, in said Title Insurance corporation of St. Louis Construction and Disbursing Escrow Account No. CX-1274 (which escrow account was established by the Development Corporation for the disbursement of interim financing funds in connection with the development of the demised premises pursuant to said Title Insurance Corporation's agreement to insure that the land and permanent improvements constituting part of the Mortgaged Property would

be and remain free **and** clear of mechanics' and materialmen's liens arising out of the development thereof); provided, however, that at or **before** making disbursements pursuant to this paragraph (b) the Trustee shall receive evidence satisfactory to it from Title Insurance Corporation of St. Louis that (i) the title to the demised premises has been validly and effectually transferred to and vested in the City free and clear of liens and encumbrances, except easements, restrictions and rights-of-way of record, not in the aggregate materially impairing the use or value of the demised premises, and the Lease; (ii) that the lien of any mortgage securing any part of the interim financing funds has been released of record or the release thereof has been satisfactorily provided for, and (iii) that there are no mechanics' or materialmen's liens, not insured against, arising out of any construction of or relating to the demised premises.

(c) To the extent of the funds remaining in such trust account, it shall disburse to such persons, firms and corporations, including the City, such amounts **as** the City shall, by certificate executed by its Mayor and attested by **its** City Clerk, and bearing the written approval of Universal, designate and certify as constituting a proper disbursement from the proceeds of the Bonds, including, but without limitation, **legal** fees of counsel to the City, expenses of issuing the Bonds, cost of machinery or equipment **as** installed in the demised premises; provided, however, that if the City's certificate shall indicate that the amount to be disbursed by the Trustee is in payment for machinery or equipment installed in the demised premises and sold to the City, the Trustee, at *or* prior to making the disbursement, **shall** receive an executed, photostatic or certified copy of the bill of sale or other instrument of transfer executed by the payee named in any **such** certificate selling and transferring the machinery and equipment to the City for which payment is to **be** made, free and **clear** of liens **and** encumbrances,

Certificates received by the Trustee under this paragraph (c) shall be paid in the order in which received by the Trustee; provided, however, that if the Trustee shall at any time receive certificates from the City aggregating an amount greater than the available balance in its hands, it shall so advise the City and shall make payments of certificates in such order of priority **as** the City shall direct. Any certificates which the Trustee shall be unable to pay by reason of lack of funds shall be returned to the City.

Certificates given by the City under this Section 506 shall designate by name the person, firm or corporation to receive the disbursement, the amount of the disbursement, the purpose, by general classification, for which the disbursement is made, and a certification that the disbursement **So** authorized constitutes a proper disbursement under this Indenture,

The Trustee shall be fully protected in making disbursements under paragraph (b) pursuant to certificates of said Title Insurance Corporation of St. Louis and in making disbursements under paragraph (c) pursuant to certificates of the City, without making any independent verification of the truthfulness of **any** such certificate but may require such further assurances as it in **its** discretion deems proper,

Section 507. All moneys required to be deposited with or paid to the Trustee or Paying Agent under any provision of this Trust Indenture shall be held in trust, and except for moneys deposited with or paid to the Trustee and Paying Agent for the redemption of Bonds, notice of the redemption of which has been duly given, shall, while held by the Trustee and Paying Agent, constitute part of the trust estate and be subject to the lien hereof.

ARTICLE VI  
INVESTMENTS

Section 601. (a) Moneys **held** for the credit of the Bond Fund may be ~~invested~~ and reinvested by the Trustee in direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States Government, which **shall** mature, or **which shall** be subject to redemption by the holder thereof, at the option of the holder, not later than the date or dates when the money held for the credit of the Bond Fund will **be** required for the purposes intended.

(b) Obligations so purchased **as** an investment of moneys of the Bond Fund shall be deemed at **all** times **a** part of such fund, and the interest accruing thereon and any profit realized from such investments shall be credited to such Fund, and any **loss** resulting from such investment shall be charged to such Fund.

ARTICLE VII

POSSESSION, USE AND RELEASE OF  
MORTGAGED PROPERTY

Section 701. Provided no event of default and no event which with the giving of notice or passage of time or both would constitute an event of default exists, any building service equipment and any of Lessor's machinery and equipment, as those terms are defined in the Lease, may be removed, sold, replaced or otherwise disposed<sup>ed</sup> as provided in the Lease, and, without limitation, particularly in Article XII thereof, and upon the receipt by the Trustee of a certificate signed by an authorized officer of Universal identifying the said equipment and machinery and certifying facts establishing compliance with the provisions of the Lease pertaining to such removal, sale, replacement or disposition, the Trustee shall, if requested, take the necessary steps to release said equipment and machinery from the lien of this Indenture. The City covenants that it will clearly mark with an appropriate tag or other device reflecting ownership by the City all the machinery and equipment in and about the demised premises owned by the City and constituting "Lessor's machinery and equipment" as defined in the Lease.

Section 702. Any equipment placed in or on the Mortgaged Property, whether in exchange or in lieu of any sold, removed or disposed of under Section 701 hereof, or otherwise placed therein or thereon at any time, except equipment, machinery and personal property placed thereon by the Lessee at its sole expense and to which the title remains in the Lessee, shall automatically become and be subject to the lien of this Indenture as if specifically mortgaged hereby. The City will, however, upon written request by the Trustee, convey the same to the Trustee by an indenture supplemental hereto in form and substance satisfactory to the Trustee or other appropriate instrument as requested by the Trustee and cause the

same to be recorded and filed in such manner as the Trustee requests to secure and continue the lien of this Indenture thereon.

ARTICLE VIII

DEFAULT PROVISIONS AND REMEDIES OF  
TRUSTEE AND BONDHOLDERS

Section 801. If any one or more of the following events (herein termed "events of default") shall have occurred, that is to say:

(a) Default in the due and punctual payment of any interest on any Bond hereby secured and outstanding and the continuance thereof for a period of ten (10) days;

(b) Default in the due and punctual payment of any moneys required to be paid to the Trustee under the provisions of Article V hereof or of the Lease and the assignment thereof to the Trustee and the continuance thereof for a period of fifteen (15) days;

(c) Default in the due and punctual payment of the principal of any Bond hereby secured and outstanding, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration or otherwise ;

(d) Default in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture, or in the Bonds contained, and the continuance thereof for a period of thirty (30) days after written notice to the City and Universal by the Trustee or by the holders of not less than ten per cent (10%) in aggregate principal amount of Bonds outstanding hereunder;

(e) The Lease shall be terminated;

(f) Any default or event of default under the Lease (as such terms are defined in the Lease) shall have occurred or exist;

(g) The City or the Lessee under the Lease shall be involved in financial difficulties as evidenced by (i) admitting in writing its inability to pay its debts generally as they become due, or (ii) by filing a petition in bankruptcy

(INSERT)

(except as contemplated in Section 701 with respect to the City's machinery and equipment, condemnations of the demised premises in the exercise of the right of eminent domain, the granting of easements for utilities and like services for the benefit of the demised premises and the granting of easements along, under, over and across the demised premises which do not in the aggregate materially and adversely affect the value and use of the demised premises);

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or for reorganization, or for the adoption of an arrangement under the **Bankruptcy Act** (as now or in the future amended), <sup>or any petition under the provisions of Chapter IX of said Act,</sup> or an answer or other pleading admitting or failing to deny the material allegations of such petition, or seeking, consenting to or acquiescing in the relief provided for under such Act, or (iii) by making an assignment of all or a substantial part of its property for the benefit of its creditors, or (iv) by seeking or consenting to or acquiescing in the appointment of a receiver or trustee for all or a substantial part of its property or of the Mortgaged Property, or of its interest in the Lease, or (v) by being adjudicated a bankrupt or insolvent, or (vi) by the entry of a court order without its consent, which order shall not be vacated, set aside or stayed within thirty (30) days from the date of entry, (a) appointing a receiver or trustee for all or a substantial part of its property, or (b) approving a petition filed against it for the effecting of an arrangement in bankruptcy or for a reorganization pursuant to said Bankruptcy Act, or for any other judicial modification or alteration of the rights of the creditors;

(h) Should there occur any impairment of, encumbrance on, or change in, the City's present legal or equitable right, title or interest in the Mortgaged Property, in any manner or to any extent whatsoever, by its own act or by the acts of any other parties, or by operation of law or otherwise <sup>(insert)</sup> **A** then, and in any such event, the Trustee may, and upon the written request of the holders of ~~twenty-five~~ per cent (25%) in aggregate principal amount of bonds outstanding hereunder, shall, by notice in writing delivered to the City, declare the principal of all Bonds hereby secured then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

If, however, at any time after the principal of the Bonds shall have been declared due and payable, and before entry of final judgment or decree or before completion of other enforcement of this Indenture, all arrears of interest upon the Bonds, with interest on overdue installments (unless the payment of such interest is not then permitted under any applicable law) at the rate of 6% per annum, together with all charges of the Trustee and compensation to and all expenses, disbursements, advances and liabilities of any receiver or any assignee or any trustee in bankruptcy or reorganization proceedings, and all other amounts at the time payable by the City under any provision of this Indenture of the Bonds, shall be paid, and if such receiver, assignee or trustee in bankruptcy or reorganization proceedings shall have been discharged and possession of its business and property restored to the City or the Lessee under the Lease, as the case may be, and any and every attachment, judgment, execution or other legal process of which the Trustee shall have notice as being theretofore levied upon any of the property of the City or of the Lessee under the Lease, as the case may be, shall have been satisfied, vacated or discharged by the giving of a bond or otherwise, and all other existing events of default (other than in the payment of the principal of the Bonds then due only because of a declaration under this Section 801) of which the Trustee shall have notice shall have been remedied, or provision for such payment, receipt, satisfaction, vacating, discharge or remedy satisfactory to the Trustee shall have been made, then and in every such case the Trustee, upon receipt of a written request from the holders of 75% of the Bonds then outstanding, shall, by written notice to the City, waive any such event of default and its consequences and rescind and annul such declaration of maturity and the respective rights of the interested parties shall be such as they would have been had

no such declaration been made; but no such waiver, rescission or annulment shall limit or affect the Trustee's right, upon any other event of default, to declare the principal due as aforesaid, or extend to or affect any other existing or any subsequent event of default.

Section 802. Upon the occurrence of an event of default, the Trustee may at its option without notice and without regard to the adequacy of the security for the Bonds and Interest, either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, take possession of the premises described in the Lease and the balance of the Mortgaged Property and have, hold, manage, lease and operate the same on such terms and for such period of time as the Trustee may deem proper and either with or without taking possession of the Mortgaged Property in its own name, sue for or otherwise collect and receive all rents, income and profits of the Mortgaged Property, including those past due and unpaid with full power to make from time to time all alterations, renovations, repairs or replacements thereto or thereof as may seem proper to the Trustee and to apply such rents, income and profits as provided in this article.

The Trustee shall not be liable for any loss sustained by the City or by the Lessee under the Lease or resulting from the Trustee's failure to let the Mortgaged Property after default or from any other act or omission of the Trustee in managing the Mortgaged Property after default unless such loss is caused by the wilful misconduct and bad faith of the Trustee. Nor shall the Trustee be obligated to perform or discharge nor does the Trustee hereby undertake to perform or discharge any duty or liability under the Lease and the City shall, and does hereby agree, to indemnify the Trustee for, and to hold the Trustee harmless from, any and all liability, loss or damage which may or might be incurred under the Lease and from any and all

claims and demands whatsoever which may be asserted against the Trustee by reason of **any alleged** obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Lease, Should the Trustee incur any such liability under or in defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees shall be secured hereby and the City shall reimburse the Trustee therefor immediately upon demand, ~~and upon the failure of the City so to do the Trustee may, at its option, declare all sums secured hereby immediately due and payable.~~ And it is further understood that this Indenture shall not operate to place responsibility for the control, care, management or repair of the Mortgaged Property upon the Trustee, nor for the carrying out of any of the terms and conditions of the Lease; nor shall it operate to make the Trustee responsible or liable for **any** waste committed on the Mortgaged Property by the tenants or any other parties, or for any dangerous or defective condition of the Mortgaged Property, or for any negligence in the management, upkeep, repair or control of the Mortgaged Property resulting in loss or injury or death to any tenant, licensee, employee, invitee or stranger,

Section 803. Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Mortgaged Property and of the tolls, rents, revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 804. Upon the occurrence of an event of default, the Trustee may proceed either after entry or without entry, to pursue any available remedy by suit at law or equity

to enforce the payment of the principal of and interest on the Bonds then outstanding hereunder, including, without limitation, foreclosure and mandamus,

Section 805. The holders of not less than a majority in principal amount of all of the Bonds at the time outstanding, upon filing with the Trustee an instrument or concurrent instruments in writing signed by such owners or by their attorneys in fact duly authorized making such determination, shall have the right from time to time to determine which one or more of the remedies or methods of procedure herein authorized shall be taken and to direct (not inconsistently with the terms of this Indenture) the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture, except that nothing in this Indenture shall require the Trustee to take in any jurisdiction any action which by law the Trustee is forbidden or not qualified or competent to perform or is disabled from performing. In the absence of such an instrument or instruments the Trustee, whether acting upon its own motion or upon request of bondholders, shall have the right to determine which one or more of said remedies or methods of procedure it shall adopt, and the time, place and nature of its action hereunder. For the purposes of this section and of sub-clause (3) of subdivision (c) of Section 901 hereof, and for the purposes of any other provisions of this Indenture involving the holders of a percentage in principal amount of the Bonds, in determining whether the holders of the required principal amount of the Bonds have concurred in any direction or consent, Bonds owned by the City or by Universal, or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the City or with

Universal) shall be disregarded, except that, for the purposes of determining whether the Trustee shall be protected in relying on any direction or consent by a given proportion of the holders of the Bonds, only Bonds which the Trustee knows are so owned shall be so disregarded.

Section 806. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute,

No delay or omission to exercise or partial exercise of any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or event of default hereunder, whether by the Trustee or by the bondholders, shall extend to or shall affect any subsequent or other then existing default or event of default or shall impair any rights or remedies consequent thereon,

Section 807. In case of the occurrence of an event of default as aforesaid, to the extent that such rights may then lawfully be waived, neither the City nor the Lessee under the Lease nor anyone claiming through or under either of them shall or will set up, claim, or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture, but the City and the Lessee under the

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Lease, each for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisal and redemption to which it may be entitled under the **laws** of the State of Arkansas.

Section 808. The Trustee may take or release other security for the payment of the Bonds, interest thereon and any other indebtedness secured hereby, may release any party primarily or secondarily liable therefor and may apply any other security held by it to the satisfaction of such Bonds, interest or indebtedness without prejudice to any of its rights hereunder.

Section 809. In case the City shall fail seasonably to pay or cause to be paid any sums advanced or lent, or reasonable costs incurred or paid by the Trustee on account of any default in the City's obligations, of whatever nature, or any sums advanced or paid, whether before or after recording of the Indenture, before or after default, or before or after entry to foreclose, for taxes, assessments and other governmental levies, water rates, repairs, painting or other improvements made by the Trustee in good faith, insurance on the Mortgaged Property or any other insurance pledged as collateral to secure the Bonds, or any sums paid by the Trustee, including reasonable attorneys' fees, in prosecuting, defending or intervening in any legal or equitable proceeding wherein any of the rights created or secured by this Indenture are, in the sole judgment of the Trustee, jeopardized or in issue, the Trustee may pay such taxes, charges, costs and expenses, without prejudice, however, to any rights of the Trustee or the bondholders hereunder arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at the rate of six per cent (6%) per annum,

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shall be repaid by the City upon demand, and **shall** become so much additional indebtedness secured by this Indenture, and the same shall be given a preference in payment over any of said Bonds, and shall be paid out of the proceeds of revenues collected from the Mortgaged Property, if not otherwise paid by the City; but the Trustee **shall** be under no obligation to make any such payment **unless** it shall have been **requested** to do so by the holders of at least ten per cent (10%) of the aggregate principal amount of Bonds outstanding hereunder and **shall** have either been indemnified to its satisfaction or been provided with adequate funds for the purpose of such payment. **Any** such payments of taxes, charges, costs and expenses so made by the Trustee **shall**, as between the parties hereto, the Lessee under the Lease and their successors in interest, be deemed valid, so that in no event shall the necessity or validity of any such payments be disputed.

In case redemption is had by the City after foreclosure proceedings have been begun, the Trustee **shall** be entitled to collect all reasonable costs, charges and expenses incurred up to the time of redemption; and in case of foreclosure sale, the Trustee shall be entitled to retain one per cent (1%) of the purchase money in addition to the costs, charges and expenses allowed by law.

Section 810. All moneys collected or received by the Trustee pursuant to the provisions of this Article shall be held upon the trusts hereof and shall be applied by the Trustee in the following order and manner (subject, however, to the provisions of Section 207 hereof); first, to the payment of the costs, expenses, compensation and indemnity of the Trustee and of all other sums at the time payable to the Trustee hereunder; second, any balance then remaining, if the principal of all of the Bonds is not then due, by declaration or otherwise, to the curing of the default or defaults with respect to which the money has been collected (and in such case the provisions of this Indenture shall continue in full force and effect until discharged as herein provided), but if such principal is so due, to the ratable payment of the whole amount of principal and interest then owing and unpaid upon the Bonds, with interest on overdue principal and interest at the rate of 6% per annum (so far as the same may be legally enforceable), without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest; third, any balance then remaining, to the ratable payment of any premium or other amounts due and unpaid under the Bonds and this Indenture; and fourth, any balance then remaining, to the City or such other person as shall lawfully be entitled thereto. Such payments of principal, premium and interest shall be made only upon presentation and surrender of the Bonds or, if less than the full amount of principal, premium and interest of any Bond is so

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paid, upon presentation and notation thereon of the amount so paid. All Bonds so paid by the Trustee and surrendered to it shall forthwith be canceled by the Trustee and delivered to the City, and no Bond shall be issued hereunder in place of any such Bond.

Section 811. All rights of action (including the right to file proof of claim) under this Indenture or under any of the Bonds or coupons may be enforced by the Trustee without the possession of any of the Bonds or coupons or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any holders of the Bonds hereby secured, and any recovery of judgment shall be for the equal benefit of the holders of the outstanding Bonds and coupons, subject to the provisions of Section 207 hereof with respect to extended, transferred or pledged coupons and claims for interest.

Section 812. No holder of any Bond or coupons shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless an event of default has occurred of which the Trustee has been notified as provided in sub-section (g) of Section 901, or of which by said sub-section it is deemed to have notice, nor unless the holders of twenty-five per cent (25%) in aggregate principal amount of bonds outstanding hereunder shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 901 nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to

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institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the Bonds or coupons shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the holders of all Bonds outstanding hereunder. Nothing in this Indenture contained shall, however, subject to the provisions of Act No. 9, affect or impair the right of any bondholder which is absolute and unconditional to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after the maturity thereof, or the obligation of the City which is also absolute and unconditional, to pay the principal of and interest on each of the Bonds issued hereunder to the respective holders thereof at the time and place in said Bonds and the appurtenant coupons expressed.

Section 813. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the City and the Trustee shall be restored to their former positions and rights hereunder with respect to the property herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 814. The provisions of this Article VIII

are all subject to the limitation that if the only event of default which **has** occurred and is continuing **is** that described **in** Section 801(h), neither **the** Trustee **nor** any Bondholder shall have the right to terminate **the** Lease or the possession of the demised premises **by the** Lessee thereunder.

ARTICLE IX

THE TRUSTEE

Section 901. The Trustee accepts the trusts, duties, powers and rights imposed and conferred upon it by this Indenture, but only upon and subject to the provisions of this Indenture, to which, by the issue, acceptance and holding of the Bonds, the City and the holders of the Bonds, agree, including without limitation the following provisions of this Article.

(a) Prior to the occurrence of an Event of Default (as such term is defined in Section 801 hereof), and after all Events of Default which may have occurred shall have ceased to be continuing or shall have been waived--

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set out in this Indenture with respect to the Trustee, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, in the absence of bad faith on the part of the Trustee, upon certificates or opinions conforming to the requirements of this Indenture;

but the Trustee shall examine the evidence furnished to it pursuant to any specific provision of this Indenture, to determine whether or not such evidence conforms to the requirements of this Indenture.

Without impairing or restricting in any way the protection afforded the Trustee by the other provisions of this

Indenture or extending its obligations thereunder, the Trustee shall in no event be under any liability under this Indenture in respect of any action or failure to act if, whether before or after an Event of Default, it shall have acted in good faith and without negligence and if, after an Event of Default, it shall have exercised or used the same degree of care and skill with respect to such action or failure to act as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) If an Event of Default (as such term is defined in Section 801 hereof) shall occur and be continuing and shall not have been waived, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve any Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that--

(1) prior to the occurrence of an Event of Default (as such term is defined in Section 801 hereof), and after all Events of Default which may have occurred shall have ceased to be continuing or shall have been waived, the Trustee shall be protected as provided in subclauses (1) and (2) of subdivision (a) of this Section 901;

(2) the Trustee shall be protected from liability for any error of judgment made in good faith by a responsible officer or officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall be protected with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Bonds at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(d) Subject to the provisions set forth above:

(1) the Trustee may act hereunder by its suitable attorneys, employees and agents and may employ such counsel, engineers, accountants and other consultants and experts as it may deem proper to advise and assist it in the performance of its duties hereunder, and may pay such reasonable compensation as it may deem proper to all such attorneys, employees, agents, counsel, engineers, accountants, consultants and experts;

(2) the Trustee shall be fully protected in any action taken or suffered by it hereunder in good faith in accordance with the opinion and advice of such counsel, engineers, accountants, consultants and experts selected with reasonable care and acting within the scope of their respective activities;

(3) the Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper, instrument or document believed by it to be genuine and to have been signed and/or presented by the proper party or parties;

(4) whenever in the administration of the trusts hereunder the Trustee shall deem it necessary or desirable

that a factual matter, information as to which is in the possession of the City or of Universal, respectively, be proved or established prior to the taking or suffering of action hereunder, such matter (unless other evidence in respect thereof is herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed in the City's name by the Mayor, and attested by the City Clerk under its seal or signed in Universal's name by its president, treasurer or a vice president and attested by its secretary under its corporate seal as the case may be and such certificate shall be full warrant to the Trustee for any action taken or suffered by it in good faith under the provisions hereof in reliance thereon.

(e) The Trustee shall not be responsible for any recital herein, or in said Bonds (except in respect to the certificate of the Trustee endorsed on such Bonds), or for the recording or re-recording, filing, or re-filing of this Indenture, or for insuring the property herein conveyed, or for the validity of the execution by the City of this Indenture or of any supplemental indentures or instrument of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the Mortgaged Property or otherwise as to the maintenance of the security hereof; except that in the event the Trustee enters into possession of a part or all of the Mortgaged Property pursuant to any provision of this Indenture, it shall use due diligence in preserving such property.

(f) The Trustee may become the owner of bonds and coupons secured hereby with the same rights which it would have if not Trustee,

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(g) **The Trustee shall** not be required to take notice or be deemed to have notice of any default hereunder except failure by the City or of Universal to make or cause to be made any of the payments to the Trustee required to be made by Article V or by the Lease and the assignment thereof to the Trustee (with the time limitation noted in (b) of Section 801) unless the Trustee shall be specifically notified in writing of such default by the City or by the holders of at least ten per cent (10%) in aggregate principal amount of Bonds outstanding hereunder and all notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(h) The Trustee shall not be personally liable for any debts contracted or for **damages to persons or to personal** property injured or damaged, or for salaries or non-fulfillment of contracts during any period in which it may be in the possession of or managing the Mortgaged Property as in this Indenture provided.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, **shall** have the right fully to inspect any and all of the Mortgaged Property, including all books, papers and records of the City pertaining thereto and to the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but **shall** not be required, to demand, in respect of the authentication of any

Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the City to the authentication of any Bonds, or the right of the City or of Universal to the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(1) Before taking such action hereunder, the Trustee may require that it be furnished an indemnity bond satisfactory to it for the reimbursement to it of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the negligence or willful default of the Trustee, by reason of any action so taken by the Trustee.

Section 902. The Trustee shall have a first lien with right of payment prior to payment on account of interest, or principal of any Bond issued hereunder upon the property herein conveyed for reasonable compensation, expenses, advances, and counsel fees incurred in and about the execution of the trusts hereby created and exercise and performance of the powers and duties of the Trustee hereunder and the cost and expense incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful default of the Trustee). The City hereby covenants and agrees to pay all advances, counsel fees and other expenses reasonably made or incurred by the Trustee in and about the examination of the trusts hereby created and to reimburse the Trustee therefor if

such expenses are paid by it. The City agrees to pay the Trustee reasonable compensation for its services in the premises. The compensation of the Trustee shall not be limited to or by any provision of law in regard to the compensation of trustees of an express trust.

Section 903. If a default occurs of which the Trustee is by subsection (g) of Section 901 hereof required to take notice or if notice of default be given it as in said subsection (g) provided, then the Trustee shall promptly give written notice thereof by mail to the holders of all Bonds registered as to principal otherwise than to bearer at their respective addresses shown on the registry books and to the last known owners of all Bonds outstanding hereunder shown by the list of bondholders required by the terms of Section 409 hereof to be kept at the office of the Trustee.

Section 904. In any judicial proceeding to which the City is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of Bonds issued hereunder, the Trustee may intervene on behalf of bondholders and shall do so if requested in writing by the Owners of at least ten per cent (10%) of the aggregate principal amount of Bonds outstanding hereunder, The rights and obligations of the Trustee under this Section are subject to the approval of the court having jurisdiction in the premises.

Section 905. any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, inso facto, shall be and become successor trustee

hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 906. The Trustee and any successor trustee may at any time resign from the trusts hereby created by giving thirty (30) days' written notice to the City and to all bondholders of whom it has notice whether from the registry books kept by it hereunder or from the list of bondholders required to be kept by the terms of Section 409 hereof, and such resignation shall take effect at the end of such thirty (30) days, or upon the earlier appointment of a successor trustee by the bondholders or a successor temporary trustee by the City. Such notice may be served personally or sent by registered mail.

Section 907. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to the City, and signed by the owners of a majority in aggregate principal amount of Bonds outstanding hereunder.

Section 908. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Owners of a majority in aggregate principal amount of Bonds outstanding hereunder, by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys in fact, duly

authorized; provided, nevertheless, that in case of such vacancy the City by an instrument executed and signed by its Mayor and attested by its City Clerk under its seal, may appoint a temporary trustee to fill such vacancy until a successor trustee shall be appointed by the bondholders in the manner above provided; and any such temporary trustee so appointed by the City shall immediately and without further act be superseded by the trustee so appointed by such bondholders. Every such temporary trustee so appointed by the City shall be a trust company or bank in good standing, having capital and surplus of not less than One Million Dollars (\$1,000,000).

Section 909. Every successor trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the City, or of its successor trustee, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor trustee shall deliver all securities and moneys held by it as trustee hereunder to its successor. Should any instrument in writing from the City be required by any successor trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. The resignation of any trustee and the instrument or instruments removing any

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trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall, at the expense of the City, be forthwith filed and/or recorded by the successor trustee in each recording office where the Indenture shall have been filed and/or recorded.

Section 910. ~~§~~ The holders of not less than a majority in principal amount of all of the Bonds at the time outstanding, upon filing with the Trustee an instrument or concurrent instruments in writing signed by such owners or by their attorneys in fact duly authorized making such determination, shall have

the right from time to time to determine which one or more of the remedies or methods of procedure herein authorized shall be taken and to direct (not inconsistently with the terms of this Indenture) the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture, except that nothing in this Indenture shall require the Trustee to take in any jurisdiction any action which by law the Trustee is forbidden or not qualified or competent to perform or is disabled from performing. In the absence of such an instrument or instruments the Trustee, whether acting upon its own motion or upon request of bondholders, shall have the right to determine which one or more of said remedies or methods of procedure it shall adopt, and the time, place and nature of its action hereunder. For the purposes of this ~~Section~~ **Section** ~~901~~ and of sub-clause (3) of subdivision (c) of Section 901 hereof, and for the purposes of any other provisions of this Indenture involving the holders of a percentage in principal amount of *the* Bonds, in determining whether *the* holders of the required principal amount of **the** Bonds have concurred in any direction or consent, ~~Bonds~~ owned by the City or by Universal, or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the City or with Universal, shall be disregarded, except that, for the purposes of determining whether the Trustee shall be protected in relying on any direction or consent by a given proportion of the holders of the Bonds, only Bonds which the Trustee knows are so owned shall be so disregarded.

ARTICLE X

SUPPLEMENTAL INDENTURE

Section 1001. The City and the Trustee may, from time to time and at any time, enter into such indentures supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental indentures shall thereafter form a part hereof), (a) to cure any ambiguity or formal defect or omission in this Indenture or in any supplemental indenture, or (b) to grant to or confer upon the Trustee for the benefit of the bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders or the Trustee.

At least thirty (30) days prior to the execution of any supplemental indenture for any of the purposes of this Section, the Trustee shall cause a notice of the proposed execution of such supplemental indenture to be mailed, postage prepaid, to all registered owners of Bonds and other bondholders whose names and addresses have been filed with the Trustee pursuant to Section 409 and shall also publish notice thereof in the same manner as that provided in Section 302 with respect to notices of redemption. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all bondholders. A failure on the part of the Trustee to mail the notice required by this Section shall not affect the validity of such supplemental indenture.

Section 1002. Any bondholder exchanging a Bond or Bonds held by him under the conditions set forth in Section 210 may, by written request to the Trustee, require the City and

the Trustee to enter into a supplemental indenture satisfactory to the Trustee reflecting the increase in the rate of interest on all Bonds then outstanding hereunder and the City and Trustee covenant and agree promptly to enter into such a supplemental indenture which **shall** thereafter **form** a part hereof. Notice of the execution of such a supplemental indenture **shall** promptly be given to all bondholders as provided in Section 1001.

Section 1003. Subject to the terms and provisions contained in **this** Section, and not otherwise, the holders of not less than two-thirds (2/3) in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the City and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the City for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or premium, if any, or the interest on any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond or the rate of interest thereon or amount of premium payable on redemption thereof, or (c) the creation of a lien upon the Mortgaged Property or a pledge of the revenues pledged to the Bonds other than the lien and pledge created by this Indenture, or (d) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (e) any impairment in the lien of the Indenture, or (f) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental

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indenture. Nothing herein contained, however, shall be construed as making necessary the approval of bondholders of the execution of any supplemental indenture as provided in Sections 1001 or 1002 of this Article.

If at any time the City shall request the Trustee to enter into any supplemental indenture for any of the purposes of this Section, the Trustee shall, at the expense of the City, cause notice of the proposed execution of such supplemental indenture to be published and sent in the manner provided in Section 1001. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all bondholders. The Trustee shall not, however, be subject to any liability to any bondholder by reason of its failure to publish such notice, and any such failure shall not affect the validity of such supplemental indenture when consented to and approved as provided in this Section. If the holders of not less than two-thirds (2/3) in aggregate principal amount of the Bonds outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Anything herein to the contrary notwithstanding, a supplemental indenture under Section 1001 or this Section 1003 shall

not become effective unless and until Universal, Lessee under the Lease, shall have consented to the execution and delivery of *such supplemental* indenture. In this regard, the Trustee shall cause notice of the proposed ~~execution~~ and delivery of *any* such supplemental indenture together with a *copy* of the proposed supplemental indenture to ~~be~~ mailed by certified or registered *mail* to Universal, at least fifteen (15) *days* prior to the proposed date of execution and delivery of any *such* supplemental indenture. Universal *shall* be deemed to have consented to the execution and delivery of any such supplemental ~~indenture~~ if the Trustee received a letter signed by an authorized officer of Universal expressing such consent within fifteen (15) days after the mailing of notice and *a* copy of the proposed supplemental indenture to Universal, or if the Trustee does not receive *a* letter signed by an authorized officer *of* Universal on *or* before 4:30 o'clock p.m., CST, of the fifteenth day after the mailing of said notice and a copy of proposed supplemental indenture to Universal.

ARTICLE XI

~~DISCHARGE OF LIEN~~

Section 1101. This Indenture shall become void:

(1) if there shall be or shall **have** been delivered to the Trustee, cancelled or for immediate cancellation, all the Bonds then outstanding hereunder, and in such case immediately upon *or* at any time after such delivery;

(2) or if, when the principal of all of the Bonds **at** the time outstanding shall have become payable, or **will become** payable within 7 months, by their terms, on redemption, by declaration or in any other **manner**, the City shall irrevocably deposit or cause to be deposited with the Trustee upon the trusts hereof, for the account of the holders of such Bonds, a sum sufficient, with any other moneys then held by the Trustee upon such trusts applicable to that purpose, to pay the whole amount of the principal, premium (if any) and interest to the stated or accelerated maturities (**as** the case may be) due or to become due on all of the Bonds then outstanding, with interest on overdue interest, premium and principal at the rate of 6% per annum (so far **as** the same may be legally enforceable) and in such case immediately upon or at any time after **such** deposit, and, in case of redemption, upon furnishing to the Trustee evidence satisfactory to the Trustee that notice of redemption will be so given or waived,, and, such **indemnity** as the Trustee shall deem necessary or desirable in order to provide for additional interest or any other **sums** which the Trustee may consider payable because

of any defect in giving such notice or otherwise in the premises;

(3) but only if in either such case the City shall also pay or cause to be paid all other sums payable by the City under any of the provisions hereof to the Trustee;

and then and in any such case such deposit, and notice or provision for notice if required, shall have the effect, as to the whole of all the Bonds then outstanding, specified in the second paragraph of section 303 hereof with respect to Bonds being redeemed, and the trusts and interest of the Trustee hereby created shall determine, and, upon the request and at the cost of the City, the Trustee shall satisfy and discharge this Indenture and pay and deliver to the City all surplus moneys, if any, then remaining in the possession of the Trustee, the application of which is not required to discharge any obligation of the City under any of the provisions hereof or of the Bonds; and then these presents and the estate and rights hereby granted shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the City such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the City the estate hereby conveyed but otherwise and until such payment and performance by the City, this Indenture shall remain in full force and effect.

ARTICLE XII  
MISCELLANEOUS

Section 1201. Any request, direction, objection or other instrument required by this Indenture to be signed and executed by the bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such bondholders in person or by agent appointed in writing. **Proof** of the execution of any such request, directions, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, **if** made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken **by it** under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within **such** Jurisdiction that the ~~person~~ signing such writing acknowledged before ~~him~~ the execution thereof, or by an affidavit of any witness to such execution.

(b) **The** fact of the holding by any person of **Bonds** and/~~or~~ coupons transferable by delivery and the amounts and numbers of such Bonds, and the date of the holding of the same, may be proved by a certificate executed by any trust company, bank or bankers, wherever situated, stating that at the date thereof the party named therein did exhibit to an officer of such trust company or ~~bank~~or to such banker, as the property of such party, the Bonds and/or coupons therein mentioned **if** such certificate shall be deemed by the Trustee to be satisfactory. The Trustee may, in its discretion, require evidence that such Bonds have been deposited with a bank, ~~bankers~~ or trust company,

before taking any action based on such ownership.

For all purposes of the Indenture and of the proceedings for the enforcement thereof, such person shall be deemed to continue to be the holder of such Bond until the Trustee shall have received notice in writing to the contrary.

Section 1202. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture, or the Bonds issued hereunder, is intended or shall be construed to give to any person or company other than the parties hereto, and the holders of the Bonds and coupons secured by this Indenture, any legal or equitable right, remedy or claim under or in respect to this Indenture, or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the holders of the Bonds and coupons hereby secured as herein provided.

Section 1203. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or paragraphs in this Indenture contained shall not affect the remaining portions of this Indenture or any part thereof.

Section 1204. It shall be sufficient service of any notice, request, complaint, demand or other paper on the City, If the same shall be duly mailed to the City by registered or certified mail addressed to the Mayor of the City of Conway, Arkansas, or to such address as the City may from time to time file with the Trustee.

Section 1205. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument,

IN WITNESS WHEREOF, the City of Conway, Arkansas has caused these presents to be signed in its name and behalf by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and, to evidence its acceptance of the trust hereby created, St. Louis Union Trust Company, St. Louis, Missouri, has caused these presents to be signed in its name and behalf by its \_\_\_\_\_ and its corporate seal to be hereunto affixed and attested by its \_\_\_\_\_, all as of the day and year first above written.

CITY OF CONWAY, ARKANSAS

By \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

(SEAL)

ST. LOUIS UNION TRUST COMPANY,  
ST. LOUIS, MISSOURI

By \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_

(SEAL)

UNIVERSAL MATCH CORPORATION, a Delaware corporation, Lessee named **in** the lease referred to **in** the foregoing Indenture, in order to induce the Trustee to accept the trusts created thereby, acknowledges receipt of notice of the assignment of said lease **as** set forth in **said** Indenture; agrees to comply therewith; represents to the Trustee **that** no defense, counter-claim or set-off exists to the **payment** of the rent reserved thereunder; **and** agrees, **with** the City and with the Trustee, severally, that **it** will make all payments of rent and other payments due or to become due under the said lease to the Trustee in accordance with said lease and assignment, and consents and agrees to the provisions of Article VIII **insofar as** they relate to it and the demised premises and further agrees that, **as** and to **the** extent provided in the lease and the assignment, its liability to make such payments shall be absolute and unconditional.

UNIVERSAL MATCH CORPORATION

By \_\_\_\_\_  
Vice President

Signed in the presence of:

\_\_\_\_\_  
\_\_\_\_\_

(Acknowledgment)

ACKNOWLEDGMENT

STATE OF ARKANSAS )  
COUNTY OF FAULKNER )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1960, before me, a Notary Public duly commissioned, qualified and acting, within and for the State and County aforesaid, appeared in person the within named \_\_\_\_\_ and \_\_\_\_\_, Mayor and City Clerk, respectively, of the City of Conway, Arkansas, a municipality of the State of Arkansas, to me personally known, who stated that they were duly authorized in their respective capacities to execute the foregoing instrument for and in the name of said municipality, and further stated and acknowledged that they had signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 1960.

\_\_\_\_\_  
Notary Public

My commission expires:  
\_\_\_\_\_

DECLARATION

STATE OF MISSOURI }  
CITY OF ST. LOUIS }

On this \_\_\_\_\_ day of \_\_\_\_\_, 1960, before me, a Notary Public duly commissioned, qualified and acting within and for the State and City aforesaid, appeared in person the within named \_\_\_\_\_ and \_\_\_\_\_, and \_\_\_\_\_ and \_\_\_\_\_, respectively, of St. Louis Union Trust Company, St. Louis, Missouri, to me personally well known, who stated that they were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said Bank, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth,

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 1960.

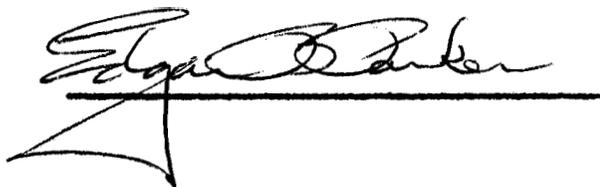
\_\_\_\_\_  
Notary Public

My commission expires:  
\_\_\_\_\_

the public health, safety and welfare of the inhabitants of the City of Conway, and the issuance of the bonds authorized hereby and the taking of the other action authorized herein are immediately necessary in order to furnish adequate financing therefor, It is, therefore, declared that an emergency exists and this ordinance being necessary for the immediate preservation of the public peace, safety and welfare shall be in force and take effect immediately upon and after its passage.

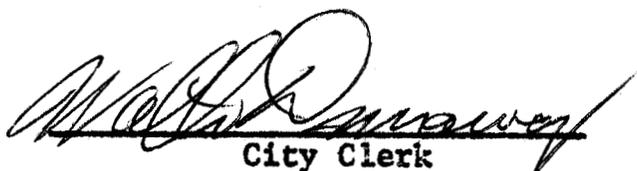
PASSED: Oct 6 -, 1960.

APPROVED :



A handwritten signature in cursive script, likely of the Mayor, written over a horizontal line.

ATTEST:



A handwritten signature in cursive script, likely of the City Clerk, written over a horizontal line.

City Clerk

(SEAL)